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Inter-Asian Affairs: Philippines on APEC Expectations

BK1705091196 (Internet) The Journal Group WWW in English 15 May 96

[This web page publishes material from four daily newspapers and a weekly magazine put out by the "The Philippine Journalists, Incorporated (PJI), also known as The Journal Group." The dailies are THE PEOPLE'S JOURNAL, THE PHILIPPINE JOURNAL, THE PEOPLE'S JOURNAL TONIGHT, and THE PEOPLE'S TALIBA. The weekly is the WOMEN's JOURNAL; unattributed report]

[FBIS Transcribed Text] Manila set to prove APEC more than just 'talk shop.' With such a goal, expectations on the outcome of this year's APEC are thus higher and as President Ramos had spelled it out in a letter to his counterparts, the Manila meeting should "dispel the notion that APEC is a mere 'talk shop' for governments."

At the series of economic ministers' meetings that would wind up in a leaders' summit in November, APEC members are expected to their commitments to the Osaka Action Agenda that was drawn up in Japan last year as well as present three sets of action plans namely, as a body (APEC), bilaterally or among members; and individually as members. [sentence as published]

What looks like a simple question of giving one's commitments to the Osaka Action Agenda and promising to fulfill the three sets of action plans is in reality a difficult and painful exercise for APEC members.

The reason: In reality, the bloc consists of members whose outputs and services compete for the same global market.

It would be extremely difficult, for instance, to exact a solid commitment from all APEC members to evenly and uniformly liberate their markets of quantitative or qualitative restrictions in agriculture because this sector needs a lot of subsidy and protection to ensure that their domestic farmers get an even chance in the markets abroad.

All the same, the Osaka Action Agenda and, ultimately, the MAP — or the Manila APEC Program as President Ramos called it last year — are meticulously being prepared by the members because of a desire to create a conducive and fair market for each other.

The three previous APEC summits — the first in Seattle, U.S.A.; the second in Bogor, Indonesia; and the third in Osaka, Japan — have understandably served as a forum for getting to know what each country has to offer and how much sacrifices can be made.

But the gathering of economic, political, and business leaders and heads of government and states in November in Manila and Subic, is being viewed more keenly in terms of how members would give meaning to their promises through the three sets of action plans they are going to present.

For the Philippines — which is spending quite a fortune putting in place the required infrastructures, security arrangements, and accommodations for the numerous delegates to the coming APEC meeting — the goal transcends being just a host to this distinguished body. The goal is to demonstrate that the Philippines means business, according to the president.

Already, the Philippines has formed an APEC Business Advisory Council [ABAC], which has scheduled an organizational meeting very soon to get the ABAC process off to a running start. It is chaired by Henry Esteban.

Also, an APEC Foundation of the Philippines is now busy forming the APEC Business Forum which would harness the business sector to help in the hosting of the APEC. The foundation is composed of six major organizations led by the Makati Business Club, Philippine Long Distance Telephone Co., Ayala Corp., Phinma Group, Far East Bank and Trust Co., and San Miguel Corp.

The APEC Business Forum [ABF], with the support of the Philippine Economic Cooperation Council, will run a meeting that would parallel the APEC ministerial meeting and takes place on the eve of the Leaders' Summit. It will involve 450 chief executive officers [CEOs] from the 18 participating countries.

The president explained earlier that the ABAC and ABF are complementary processes whose common goal is "increased business sector participation in APEC." The difference between the two is that ABAC is policy-oriented while ABF is project-oriented.

The ABAC, he added, is a permanent institution by virtue of its creation by the APEC ministers while ABF is an initiative of its chairman, former Foreign Secretary Roberto Romulo, "to jump-start private sector participation."

As the president says: "The manifestation of business sector participation in APEC, ABAC, and ABF will have real impact if they eventually result in a fairly large assembly of CEOs from the member economies. In addition to quality, numbers count especially if we look towards strengthening the constituency for APEC."

For ultimately, the success of APEC will be measured by how much business flows into and among the members, which is the real essence of a free global market.

Japan

Japan: MITI Head Calls U.S.-China Threats 'Counterproductive'

OW1705021296 Tokyo KYODO in English 0200 GMT 17 May 96

[FBIS Transcribed Text] Tokyo, May 17 KYODO — International Trade and Industry Minister Shumpei Tsukahara voiced his opposition Friday [17 May] to possible trade sanctions between the United States and China over copyright piracy, saying such actions would be "counterproductive."

"I hope the two sides will talk with each other again to promote mutual understanding and resolve the matter positively," Tsukahara said at a news conference.

While ensuring protection of intellectual property rights is important, it is equally significant to persuade China to join international trade rules under the World Trade Organization, he said.

The U.S. said Wednesday it will impose sanctions on Chinese textile and other exports if China does not take further steps to curb copyright piracy in the country and accept legitimate copyrighted products by June 17.

The announcement prompted Beijing to issue its list of retaliatory tariffs against an unspecified number of China-bound U.S. exports of farm products, automobiles and other consumer goods.

Tsukahara noted that Charlene Barshefsky, acting U.S. Trade Representative, left a message Tuesday that Washington will announce its intention to slap sanctions on Beijing.

"I have already told the U.S. that sanctions against each other would not be good" for both U.S.-China relations and the international community, Tsukahara said, adding he will convey a similar message to China as well.

Tsukahara said the expected absence of both Barshefsky and U.S. Commerce Secretary Mickey Kantor from next week's ministerial meeting of the Organization for Economic Cooperation and Development means he will not be able to take up the semiconductor trade issue with his U.S. counterparts.

But senior trade officials of the two countries will have a chance to exchange opinions on the issue at the meeting, he said.

Japan and the U.S. are wrangling over renewal of the expiring bilateral microchip agreement. Washington wants it renewed beyond the July 31 expiry date but Japan argues the pact is no longer necessary, given the growing foreign presence in Japan's microchip market.

Tsukahara stressed there has been no change in Japan's basic policy on the issue, saying it will continue monitoring ongoing private-sector initiatives to set up a new partnership framework in an effort to break the government-level deadlock.

Japan: U.S. Proposes Postponement of 3d Sector Talks

OW1605141196 Tokyo KYODO in English 1331 GMT 16 May 96

[FBIS Transcribed Text] Tokyo, May 16 KYODO — The United States has proposed that Japan implement its offered deregulation measures for the insurance market while controversial "third sector" talks are put off until after June 1, the deadline for the bilateral negotiations, sources familiar with the debate said Thursday [16 May].

U.S. negotiators, including Deputy Assistant U.S. Trade Representative James Southwick, made the proposal during working-level talks in Tokyo on Tuesday and Wednesday, the sources said.

The Japanese team, led by Haruhiko Kuroda, deputy director general of the Finance Ministry's International Finance Bureau, rejected the proposal, the sources said.

The two-day talks focused on the question of Japanese life and nonlife insurance companies' entry into the third sector which covers sickness, accident and nursing insurance products, areas where foreign companies are strong, the sources said.

Through a series of talks up to the latest Tokyo meeting, Japan has proposed permitting mail-order sales of automobile insurance and liberalizing nonlife insurance premiums while permitting Japanese insurers' entry into the third sector.

U.S. negotiators, for their part, said Japanese entry into the third sector should be permitted when Japan clears specific targets to measure its market liberalization, such as the number of new insurance products permitted by the Tokyo government.

Japan: ACSA Tolerates Use of SDF Arms Parts for U.S. Forces

OW1705014596 Tokyo MAINICHI SHIMBUN in Japanese 14 May 96 Evening Edition p 1

[FBIS Translated Text] Masahiro Akiyama, director-general of the Defense Agency's [DA] Bureau of Defense Policy, attended a session of the House of Representatives' Special Committee on Security held on the morning of 14 May. Concerning the issue of supplying "arms parts," as clearly stated in the

Japan-U.S. Acquisition and Cross-Servicing Agreement [ACSA] concluded in April, Director-General Akiyama said: "The equipment (of the U.S. Forces) combined with parts (supplied by the Self-Defense Forces [SDF]) may be used in other operations after joint training. However, the article in question does not constitute an obstacle to such cases." In other words, materials supplied by the Japanese side may eventually be used by U.S. forces in military operations during emergencies in the Far East, and Akiyama's remarks indicate that such cases will be tolerated. This issue may provoke heated debate because of its involvement with the issue on the exercise of the collective self-defense right, which is prohibited by the Constitution.

Akiyama made these remarks while answering a question asked by Koichiro Watanabe of Shinshinto [the New Frontier Party]. The application of the ACSA is limited to Japan-U.S. joint training, the UN peacekeeping operations (PKO), and humanitarian assistance to the international community. DA maintains that "there is no clear concept about the definition of emergency," (as stated by Director-General Akiyama) but also says that "it is generally applicable in peacetime," (as stated by DA Director-General Hideo Usui).

Japan: Former GSDF Officer Critical of New NDPO

OW1705023296 Tokyo GUNJI KENKYU in Japanese Apr 96 pp 126-38

[Article by Kotaro Kamei, former Director, Research Department, Ground Self-Defense Force Staff College. Part of special feature "Asian Military Front Line." Originally titled "New National Defense Program Outline; Is This Really All Right? Retreating from Position of Independent Military Response Will Not Do!" Dated 8 February 1996.]

[FBIS Translated Text] The analysis of the situation in adjacent areas is too vague. There is insufficient recognition of the character, nature, and other aspects of war! It will not do to retreat from the position of responding by independent force in limited warfare! It will not suffice to rely overly on the one-sided Japan-U.S. security system! It will not suffice to make vague through frequent use of the term "diversification" the main points of building the defense force! While defense issues have long been said to be at a turning point, is the new National Defense Program Outline [NDPO] this turning point? The author points to many problems in the new NDPO and suggests reconsidering it.

Has the Turning Stopped?

On 28 November 1995, a government cabinet meeting approved the new NDPO submitted by the Defense Agency (effective date: 1 April, 1996).

Has this made the issue of Japan's defense, said to be "at a turning point" since the collapse of the Cold War system, really "turn the corner"? Is it now ready to "go straight ahead at an increased pace"?

As I see and hear descriptions given by the Defense Agency after the Security Council and the cabinet meeting's decision, it seems to me that the internal bureaus as well as the Ground Self-Defense Force [GSDF], Maritime Self-Defense Force [MSDF], and Air Self-Defense Force [ASDF] have a feeling of achievement after being able to reach the current level under the coalition government, under which it is difficult to reach a consensus on "national defense."

When we consider the execution of actual policy, since defense issues in Japan often tend to end simply in debates, the current action—to bargain when a plan which is not ineffective is presented—may be a success for the people responsible for the administration, particularly when we remember the history of this study which took a very long time, as described below.

The "arms reduction on the European front from the period of total confrontation, which had become excessive as a result of the collapse of the Cold War system," beginning at the end of 1989 after the fall of the Berlin Wall, became a major global current. It swept into our nation as well. In Japan, it was the Social Democratic Party of Japan [SDPJ] that first caught this wave.

In 1992, then Prime Minister Miyazawa, one of the doves in the Liberal Democratic Party [LDP], ordered research on "How Japanese Defense Should Be" while suggesting a reduction in defense forces.

On the 40th anniversary of the establishment of the Self-Defense Forces [SDF] in October 1993, then Prime Minister Hosokawa, who had made a dashing debut by overthrowing the LDP a short time after founding the New Japan Party, attended the ceremony. In his address at the ceremony, he did not pay any attention to the script prepared for him by the staff but indicated a "review of the NDPO."

In the spring of 1994, then Prime Minister Hata ordered a study by the "Advisory Group on Defense Issues," an ad hoc advisory organ to the Prime Minister.

At the end of 1994, the Advisory Group on Defense Issues submitted its report to then Prime Minister Murayama.

On 29 November 1995, the government approved the new NDPO submitted by the Defense Agency Director-General. This was confirmed by an extraordinary cabinet meeting.

In this period, the Defense Agency personnel who went to the Ministry of Finance [MOF] to request the year's budget could not say anything when questioned by MOF staff about "how the recognition of a threat which is the basis of the budget request has changed compared to the time before the Cold War's collapse."

Also in this period, the major countries of the world have made decisions and applied new policies at every step in their adoption of new strategic arrangements after the Cold War's end. For example, the United States announced the Aspen Declaration in the summer of 1990 to undertake measures to deal with regional conflicts and prevent the proliferation of weapons of mass destruction as future military strategy. In 1993, Washington conducted a bottom-up review to specify the required defense forces and operations. At the level of military force, even the unit operation doctrines have been completely rewritten.

European countries have also changed everything from the level of policy and strategy to that of unit operations doctrine at a high tempo no slower than that of the United States. The East German military was absorbed in the West German military, their former enemy.

Since the new NDPO is a result of several years of study by the government, it is natural that most of it is very well thought out. This is not the sort of thing to which a private individual can object.

However, looking at the post-Cold War international political situation around Japan (especially in the last two or three years) and forecasting the near future, which is an extension of the past, our nation's defense issues, long said to be at a turning point, seem already to have turned the corner with the establishing of the new NDPO. There appears to be a recognition that the only thing left is to go straight ahead at an increasing pace. Nevertheless, after giving the new NDPO a reading, there are still some points which do not satisfy me.

In short, the situation analysis dealing with the items to be covered in the NDPO and their details (what should be defended against what in the case of an national emergency as well as how, what are the details of the defense forces to be maintained for this purpose, etc.), and the character and nature of wars in the coming years is too vague.

The result is a retreat from the position of responding independently against limited, small-scale aggression. Also, despite the frequent references to the "importance of the Japan-U.S. security system," the system's lack of mutual obligations has been left as is. I think that there is a serious problem here.

Too Vague an Analysis of Situation in Area Surrounding Japan

A. "Situation Recognition" of NDPO

The new NDPO introduces "situation recognition" as follows (there may be a deeper analysis than this, but the points presented to the public are as follows).

a. The possibility of a conflict on a worldwide scale has receded.

b. In such fields as politics and the economy, a wide range of efforts have been continued to stabilize international relations and emphasis is put on preventing the progress of various factors that have the potential to cause instability into serious international problems before they occur.

c. In the area around Japan, there still exist large-scale military forces, including nuclear forces. Against the backdrop of the economic development, many countries are pouring their energies into the expansion or modernization of their military forces.

The NDPO also points to the specific phenomenon of continued tension on the Korean Peninsula, expressing the interpretation that "The possibility of there happening an event that would exert a major influence on our nation's security cannot be denied."

d. The major countries of the world are devoting their efforts to securing their capabilities to respond to various events, including regional conflicts, linking these capabilities to the undertakings for international mediation of the United Nations. The United States in particular is continuing to play an important role in world peace and stability, with its strong power as the background.

B. My Opinions on "Situation Recognition"

The above interpretation of the situation is accurate as an expression resulting from looking from a terrestrial perspective, but here it should be connected directly to policy.

That is to say, I think that Japan's NDPO should focus on the beginning of the 21st century and should contribute to clarifying the objectives and details of the measures to be taken. However, this is not the actual case. In other words, the analysis of the topics concerned might be proper but the possible outcome expressed as the "international situation" is too vague.

I think that items a, b, and c above should be further analyzed [previous four words underlined] to clarify the following events.

(1) The major conflicts (wars) most likely to occur in the future will often be greatly limited in terms of purpose, target, means, operational forces, associated region, and period (such a war will hereafter be referred to as a "limited war").

Japan may be involved in four types of "**limited wars**" as described below.

First, there may be direct aggression by military forces with the clear intention to occupy Japanese territorial land and/or waters (**Situation A**).

For example, events of this type include the occupation and rule of the Senkaku Islands by China, the occupation and rule of Takeshima by South Korea and the occupation and rule of the four Northern Islands by Russia.

Secondly, there may be attempts to hold Japanese territorial land, waters, and/or skies for a certain period during a conflict (war) between countries other than Japan (**Situation B**).

For example, events of this type include temporary passage, use or occupation of Japanese territorial land, waters, and/or skies during armed conflicts between countries adjacent to Japan.

Thirdly, there may be attempts to point highly accurate, long-range weapons at Japan to force a certain political outcome (**Situation C**).

For example, events of this type include a case in which there escalates the testing of long-range missiles like those possessed by North Korea and pointed at Japan.

A fourth type of event may occur in relation with the intervention of the U.S. military in a conflict in the Asia-Pacific region. This would entail a spread of attacks to the facilities of U.S. Forces, Japan [USFJ] (**Situation D**). (2) The probability of occurrence of conflicts on a smaller scale than the above "limited wars" is also high. These may include the entry into Japan of a large number of armed refugees from certain organizations, terrorism, the occupation of critical/dangerous facilities in an attempt to achieve political/economic objectives, and the illegal theft of marine or sea bed resources in Japan's territorial waters (**Situation E**).

(3) There will be growing tendency for several countries to intervene in regional conflicts on the basis of UN international mediating activity, etc. (**Situation F**).

(4) Though the probability of its occurrence is decreasing for the present, the occurrence of a war with a larger scale than the above "limited wars" cannot be denied (**Event G**).

The significance of the above analysis lies in the following.

In the Cold War era, as the situation was so acute that the military actions of the two military superpowers, the United States and the Soviet Union, seemed to be triggered very easily, every effort was made to suppress small conflicts within each camp not sanctioned by the two countries.

However, when this antagonistic structure collapsed with the fall of the Soviet Union, confrontations held in check until then began emerging as conflicts on a small scale but with histories going back in time.

In Asia, in addition to the above, as countries having achieved internal order have started to take notice of areas outside their territories, their attempts to create new spheres of influence around them have become a noticeable trend. In particular, special attention is necessary concerning the trends regarding marine and sea-bed resources, the boundaries of which are inherently unclear.

It is also expected that, in case of events A, B or E, the help and mediation of the United States may remain at the diplomatic level and not reach the military level. With events C, F or G, the policy should be taken in the direction as analyzed and proposed in the new NDPO.

With respect to "Event D," as the definition is still unclear, it is desirable that "politics" make a clear judgment on cases related to Article 6 of the Japan-U.S. Security Treaty that could occur at any time.

The action the United States would take should the international situation around Japan become unstable has been and will be a critical theme for our nation's security. If this recognition of the situation ends simply with situation "D" above, it is not possible for it to be connected to future policy. Unless it is clarified that there may be situations in which the U.S. military cannot be expected to come to our aid, it would be impossible to determine an effective national defense policy.

For instance, if there had been aggression from an Eastern bloc country in the Cold War, which lasted until six years ago, the U.S. military quickly coming to our aid could be considered fully reasonable from in military terms, given that such an attack would involve life-and-death interests for the United States.

However, in the case of events equivalent to or below the scale of a "limited war" described above, can the U.S. military really be expected to come to our aid?

Is it really right to define the actions of the SDF by assuming such an expectation to be true?

Should not one of the NDPO's roles be to mention this very point?

Let's take the "Takeshima" issue between Japan and South Korea as an example. Can we expect the U.S. military to come to our aid? If not, it is necessary to consider military measures in assuming the absence of such aid.

If there exists a recognition that speaking publicly on such a delicate point would be nonsense, unless an implicit reference were made I think that it would mislead the people in our democratic nation.

Even if the sentence at the end of the new NDPO saying "if an important change in the future situation leads to an expectation that a review of the way defense force should be organized is necessary, we will start a new examination then" is meant as an implicit reference, I think such an expression is still something that could mislead people.

Insufficient Recognition of War's Character, Forms

The character, role, forms, and other aspects of war reflect the times and the geopolitical position of each country. It is easy to comment on such aspects once an era ends. It is significant to attach significance to them at the beginning of an era and link it to actual policy.

Although the new NDPO accurately incorporates international contributions and other new factors that appeared following the progress of time in the "roles to be assumed by the defense forces," it does not take into consideration the changes in the character, forms, and other aspects of war connected directly with national defense and which are of primary significance.

Clarifying this subject not only makes clear our nation's security and the roles of our defense forces but allows the details of our defense forces (structure, system) and the points noted in deployment and operations to be designated clearly.

Characteristics of Next Period

When we look at the next period from the viewpoint of international politics, we may find that it to have the characteristics enumerated below.

(1) Population growth and progress in transport and communications will make the earth smaller and increase interdependency.

(2) As an extension of the above, the consciousness that we must not damage "spaceship earth" indispensable to mankind will become very high.

(3) This is contradictory to the above item, but it will not be possible to stop the movements of some countries seeking to pursue their own existence and prosperity even in destroying the otherwise invaluable interdependency.

(4) Although countries at different stages of development or those with different civilizations should live and interact closely side by side, there is no hope that a standard of behavior or philosophy able to encompass and lead the situation will appear.

Characteristics of Area Around Japan

The situation in the area around Japan from the second half of the 20th century to the first half of the 21st century can be characterized by the emergence of nations that have achieved internal order and started to turn their attention outside their borders. The previous order of nations in this regard will naturally be subject to pressures for change.

In this region, Japan is the sole country to have made the transition to a modern nation and, with its experience of the past war, is not seeking hegemony over the region.

We should regard the United States, China, Russia, and Japan as those countries able to exert great influence on this region's political situation. (This characteristic stands out compared to other regions of the world.)

Warfare Categories, Threat Recognition

Based on the above two types of characteristics (characteristics of the coming period and of the area around Japan), Japan must classify possible wars in the target period into the four categories described below. Also, considering the lack of preparations for unexpected events in the coming period, I think Japan has to correct and urgently prepare defense forces to be able to respond to the limited wars described in (2) below.

(1) Anti-Establishment or Revolutionary Warfare

Civil war (rebellions aimed at overthrowing the government according to instigation and/or agitation from inside or outside the country as well as those led by fanatics such as Aum should also be considered. The means taken include the use of modern and special weapons, control of dangerous and critical facilities, etc.) Regarding terrorism, guerrilla/commando attacks from outside the country, raids by armed refugees, and such, our nation is fortunate in that there is presently no threat in this category on the horizon.

(2) Limited Warfare

This is the form of war most representative of the above two characteristics. This warfare does not destroy the world order at large, but nations may attempt to pursue their national interests or settle past conflicts. Such wars are expected to occur frequently between developing countries or by a developing country attacking a developed country.

We should particularly note conflicts of interests in the field of marine and sea-bed resources for which the boundaries are unclear as well as the so-called clash of civilizations arising from the forces of religion, human rights, manners, and customs. As described before, this category would better be further classified more finely to conform to the objectives of the NDPO (Events A to D described above).

(We use here the term here in a different sense from that as the form or aspect of war considered as a part of crisis control in order to prevent its development into a world-scale war as in the Cold War era.)

Situations that Japan should recognize as threats in this category include neighboring nations whose power has been growing remarkably of late as well as nations able to exert influence on the sea lanes and those with active foreign statements and policies to strengthen defense powers.

(This is based on the recognition that, in relations between nation states, one always keeps at the ready the two cards of friendship and of threat recognition.)

(3) Conventional Warfare

These are wars less "limited" in terms of the attack's objective, target, region, period, military force, and such. Not necessarily as large as World Wars I and II, they call to mind the Korean War and Vietnam War.

Japan should recognize as a threat in this category such potential political and military trends as a Russia that still has a strong military potential and is inclined to conservatism.

(4) Nuclear Warfare

During the Cold War, this type of warfare was prepared to the critical stage and the situation often went to the verge of invoking it. Fortunately, it was never used and thus functioned as a deterrent.

Among the above four categories, it is highly probable that conventional and nuclear warfare can be avoided through the international or regional deterrent mechanism of the UN and great powers. Also, it is only the great powers that have the ability to wage such wars.

Consequently, it is necessary that a nation possess the capabilities and forces to respond independently against limited wars as well as anti-establishment or revolutionary wars, against which UN and great power deterrence is difficult to apply and by which national interests may suffer great damage in the absence of certain victory at the onset of hostilities.

In stressing the necessity to prepare for limited warfare, the character required of the defense force is "to prepare and maintain war potential able to gain certain victory at the onset of hostilities through comparatively short-term operations and to prepare an operational environment enabling the SDF to act immediately in response." This will then make clear the character of the NDPO to set the outline in such areas as purpose, details of preparations, and priorities.

It Will Not Do To Retreat from Position of "Responding Independently to Limited Wars"

There is the following phrase on the fundamental thinking regarding the NDPO, expressed during the Defense Agency Director-General's announcement of the new outline. "Thinking that it is not appropriate to stress the thinking of responding in principle independently to limited, small-scale attacks, we decided not to follow the use of such expressions in the new NDPO."

As for the reason for this, we find the following three points as we read the statement:

(1) The international situation contains opaque and uncertain elements. On the other hand, greater efforts are being made towards stabilization of international relations.

(2) It is important that we ourselves work to avoid a power vacuum, which would become a factor of instability in the region.

(3) Together with the Japan-U.S. security system, undertaking the building of a more stable security environment is demanded.

For a former SDF officer who made it his way to participate in eliminating with one's own power an emergency [last seven words underlined] without hesitation and without relying on the strength of others in time of emergency, it is simply difficult to understand the preceding line of thought. (I believe that "emergency" here means when there has occurred an urgent, illegal, and unjust invasion despite a nation's various non-military measures.)

The new NDPO describes the basic position on national defense. Therefore, it should declare above all that "we will defend our own country ourselves." I think that after this declaration, the NDPO should describe how Japan will use the power of other countries, given that defense of a single country is extremely inefficient, and that Japan will work towards the stabilization of international relations.

(Since a nation is a large body, it is administered in dividing it into various functions. The description of the basic idea on the administration of each function should be given by making explicitly clear their priorities within a suitable range and depth for the position or role of each.)

It is true for all nations that "boosting morale" is important for the organization that is a military. The mission of the organization greatly affects the morale of military personnel. Also, we should not forget that each and every member of the SDF swears an oath on joining the SDF to "strive to carry out my duties in case of an emergency."

A key phrase connecting mission, duties, danger, morale, emergency, and oath is "to defend my country myself." It is not suitable for a description of basic defense to use wider expressions of economic or diplomatic matters, such as "efforts towards stabilization of international relations," or to define the significance of having defense forces with expressions like "that we not become a power vacuum... and cause trouble to others" in place of directly expressing the need for such forces. I would like to see used expressions that touch the hearts of personnel directly or that can boost morale.

So far I have described somewhat metaphysical issues. Next, I would like to discuss the "possibility of existing on the strength of others."

Why will it not do to retreat from the position of "independently responding to limited warfare"? The reason is that it is extremely dangerous for one "to exist on the strength of others."

As described above ("Categories of warfare, threat recognition"), an aspect called "limited warfare" is a form of war that will require more attention in the future.

Both the party starting this war as well as the party responding must put greater weight than ever before in military unit operations on achieving "operations for certain victory at the onset of hostilities with a premium on the element of time." This particularly applies to ground warfare unit operations, which tend to be sluggish at the start of operations.

The more time passes following an invasion, the great the influence that the fait accompli exercises not only on domestic opinion but international opinion as well. This then makes unit operations difficult. Moreover, failure at the onset of hostilities is likely to prove fatal.

Does anyone think that any force other than the SDF can arrive in time for the pressing "importance of the element of time"? Any force other than the SDF "arriving in time" is inconceivable for me.

What is more, is the U.S. military likely to lend a hand in such a "limited war"?

Under the Cold War system, which lasted until six years ago, quick aid from the U.S. military against aggression from the Eastern camp was fully reasonable from a military viewpoint, as the aggression would involve vital U.S. interests. However, while the occurrence of "Situations A, B and E" (described in the section before last) would not be desirable for the United States, they would not prove a matter of life or death for U.S. interests. We should be aware that it is extremely dangerous to expect aid based on far-from-realistic calculations while knowing that such events are not matters of life or death for them.

Now let us imagine a number of events:

"Takeshima" is clearly our nation's territory. Now that the Law of the Sea issue is becoming a major issue, it would not be at strange if the Takeshima issue between Japan and South Korea became a major problem. Should this issue become a major problem, would the Japan-U.S. security system function to our advantage?

It is also fully expected that various problems will arise with China in relation to the ownership of the Senkaku Islands. Does this issue not have the same stance as the Takeshima issue? The following recent developments have taken place in relation to the Senkaku Islands.

In April 1978, when 108 Chinese armed trawlers moved into the Senkaku Islands sea area, the United States refused to intervene under the policy of "not interfering in the territorial issues of other countries." Is it not natural that this U.S. stance could appear again in the future?

It is necessary for Japan to take a resolute attitude based on past experience, without expecting U.S. mediation. "Military power, at such a time plays the role of backing diplomacy, as it has in all ages in all places. Throughout our nation, there is the latent desire to have something other than military power play the backing role, but people must realize with a level head that the common wisdom of the real world is that there is only military force for that role."

Should U.S. military aid come, it would more probably be in case of "Situation G," described before.

Meanwhile, in reading the new NDPO's section III-4-(2), "Measures Against Large-Scale Disasters and Other Situations," we find that the basic measures in case of an emergency are described as follows:

"In the area around Japan, should there occur an event that could exert a major influence on our nation's peace and safety, in accordance with the Constitution and related laws and ordinances, we will respond as necessary, supporting as appropriate UN activities and working for the smooth and effective operation of the Japan-U.S. security system."[last five words underlined]

I have already noted that in such cases, expressions such as "respond as appropriate in supporting UN activities" and "respond as appropriate in working for the smooth and effective operation of the Japan-U.S. security system" have little content to them.

"Emergency" Situations Should Not Be Considered As "Large-Scale Disasters."

As for the expression to which I referred immediately above, why is this important basic attitude described in the section "Responses To Large-Scale Disasters and Other Situations"?

Am I too anxious in thinking that an attitude that defines an "event which may exert important influence on the peace and safety of Japan" as one type of "large-scale disasters and other events" nothing but misleading to the people?

Maintaining Japan-U.S. Security System Is Important. However, We Should Stress This After Doing What Must First Be Done

A. Placing Japan-U.S. Security System in New NDPO

The place accorded the Japan-U.S. security system for making Japan's defense complete is very high. The new NDPO describes this in the following ways.

Clause I, "Object of Establishment" says, "Japan will seek to arrange, maintain, and operate the defense forces under the Constitution and following the new NDPO, while taking into consideration the improvement of the reliability of the Japan-U.S. security system.[previous four words underlined]"

Clause III-1, "Basic Policy on Security and Defense Force" says, "While seeking to establish the foundation of security (diplomatic efforts and stability in domestic politics), we will maintain firmly the Japan-U.S. security system [previous four words underlined] and prepare moderate defense forces."

Clause III-3, "Japan-U.S. Security System," [previous words between quotation marks underlined] first describes the recognition that "the Japan-U.S. security system" [previous words between quotation marks] is indispensable to our nation's security," then stresses the following based on this extreme importance: "We will work to improve reliability and display its functions effectively by the following policies:

1) enhanced information exchange, policy discussion, etc.;

2) construction of cooperative system in operations through joint research as well as joint exercises, training, etc.;

3) enhanced mutual exchange in the areas of equipment and technology;

4) enhanced policies for the smooth and effective stationing of USFJ."

Next, it positively declares that "promoting this close, cooperative relationship will contribute over time to our nation's undertakings towards the peace and stability of international society."

Clause III-4, "Roles of Defense Forces," says: "In the event of direct aggression, we will eliminate it by operating the defense forces in a comprehensive and organized manner under appropriate cooperation with the United States" [previous seven words underlined] It also states that: "Should there occur in the area around Japan an event that could exert a major influence on our nation's peace and safety, we will respond appropriately by working for the smooth and effective operation of the Japan-U.S. security system."[last four words underlined]

B. My Opinion on "Positive Evaluation of Japan-U.S. Security System"

The new NDPO expresses that the position and roles of the Japan-U.S. security system will not increase in importance only for the defense function but also for general functions of the national administration of Japan in the future, and the policies reflecting the Japan-U.S. Security Treaty involve several of Japan's interests as well as all of its people. Therefore, the intention of Japan should be expressed explicitly after multilateral study.

Here, from the aspect of the function of "national defense," I would like to offer my opinion on points not adequately expressed.

One-Sidedness Should Be Eliminated

We should never forget for even a moment that Japan is an Asian country. I think that it will not do to make such self-aggrandizing slogans as "Leave Asia, Join Europe."

However, in this region coming under the waves of prosperity and, simultaneously, a reordering of the international order, if Japan should seek to exist and pursue prosperity while holding a "position of honor," I think that the sole optimal choice to manage the nation is in greatly making use of the power of the United

States, which possesses in common with Japan such traits as a national development process and sense of values, and which at present can play the role of the world's policeman.

However, what we should note here is that, while there was a time when Japan settled for a time for the position of occupied country due its defeat in the Greater East Asia War [World War II], Japan graduated from that position some decades ago. Therefore, even in "making use of the power of the United States," a strongly one-sided security treaty will not do.

With regard to the Japan-U.S. Security Treaty, its one-sided character has been a problem, like a bone caught in the throat, at the time of the treaty's establishment as well as after its amendment. As a solution, the "Guidelines for Japan-U.S. Defense Cooperation" (the Guidelines) were approved in a cabinet resolution of November 1978. However, the situation is one of deadlock in relation to Article 6.

That is to say, in relation to Article 5 of the Japan-U.S. Security Treaty, "In the Event of an Armed Attack on Japan," the following are defined: 1) joint operations between the GSDF, MSDF, and ASDF and USFJ; 2) coordination and command of operations and intelligence, and; 3) logistic support for the U.S. military. However, nothing has been defined in relation to Article 6, "In the Event A Situation Occurs in the Far East."

Nothing could be easier. When our nation is facing a national emergency, lend us your strength. However, we will not help in the slightest when an emergency occurs in the Far East. This would not fly even in the world of children. Nor, fifty years after the war, after Japan has become one of the world's major economic powers, do we even try to revise this humiliating situation at the time revise the NDPO.

If there were a man who said such things as "the Japan-U.S. security system [previous five words underlined] is indispensable for our nation's security" and the "construction of a system of cooperation in operations through joint research and joint exercises, mutual exchange in the areas of equipment and technology, and enhanced policy related to the stationing of the USFJ," he would immediately be reproached by his friends: "Are you really a man? Do what you should do first!"

Recently, the breakdown in U.S.-North Korean talks on the suspicion of nuclear development by North Korea became a topic in relation with the Article 6 of the Japan-U.S. Security Treaty. People also talked about sanctions by the UN at the time. In relation to the problem at hand, people looked into such specific actions one by one as a maritime blockade and minesweeping by the MSDF, logistics support of the U.S. military, support for the evacuation of Japanese resident in Korea, and measures to handle refugees. In the process, it became clear that any of these actions would become a major problem under Japan's current legal system.

However, once former President Carter went to the North Korea as a special envoy and Kim Il-sung died, the crisis passed. The issues that posed problems in Japan deflated like a balloon. Since then no studies are in progress.

To criticize only the politicians and bureaucrats for this issue can be considered off the mark. It is now a problem for each and every Japanese. Do we not all pretend to be ignorant while knowing in fact exactly where the problem is? If so, does this not mean that we are abandoning an important part of our national pride that we should be handing down to posterity?

A visit by the U.S. president is scheduled for April 1996. I hope that this will prove an opportunity for the changing the one-sided Japan-U.S. Security Treaty into a reciprocal one.

We Should Recognize That There May Be Cases in Which We Cannot Expect U.S. Military To Come To Our Aid

Although the NDPO expresses extremely high expectations for the Japan-U.S. security system [previous five words underlined], saying "In the event of direct aggression, we will eliminate it by operating our defense force in a comprehensive and organized manner under appropriate cooperation with the United States [previous seven words underlined]," and "In the event there should occur a situation that could exert major influence on our nation's peace and safety, we will respond appropriately in working for the smooth and effective operation of the Japan-U.S. security system." [previous five words underlined] The expectations placed on the Japan-U.S. security system [previous five words underlined] are extremely high. However, in the event of "limited war Situations A, B, and E," we should make the judgment that the U.S. military coming to our aid is exactly the thing that we cannot expect.

In the nation's administration, in which henceforth national interests will become increasingly complex, the Japanese people must know words alone are not enough. With a just attitude, they must be determined in the event of an emergency to settle it with their own blood, and to have the politicians so declare.

Admitting the possibility of situations in which we cannot expect the U.S. military to come to our aid, we should set "handling them by our power" as the principle in dealing with them. Without this standpoint, I doubt that we can make any statements on the reciprocal character of the Japan-U.S. Security Treaty. Without being perplexed by such illusions as the "cork in the bottle" argument, I would like us to consider issues through substantial, solid, and real discussion.

It Will Not Do To Make Vague the Key Points of Defense Forces Preparation by Frequent Use of "Diversification"

The gist of the previously mentioned address of the Defense Agency Director-General was as follows:

"The changes in the situation both inside and outside Japan have been remarkable. In recent years expectations regarding the SDF's roles in new areas, in addition to its main duty of our nation's defense, have been growing. This change means the emergence of the need to respond to large-scale disasters and other situations and to undertake actively to contribute to the construction of a stable security environment."

"That is to say, in an age when the structure of military confrontation between the East and West had been the basis for international military conditions, the focus had been on 'defense' or 'deterrence' against 'foreign aggression,' so the central theme has been to promote the steady advance in the building of our defense forces. Today, however, we recognize that it has become more important to promote international cooperation, stabilize international relations further, act against the proliferation of weapons of massive destruction, and deal with such situations as large-scale disasters and such special disasters as those caused by terrorism.

Therefore, it is demanded of us that we promote various measures in a comprehensive manner."

It is necessary to remember that there were similar discussions during the drafting of the previous NDPO. Here I mean the so-called "peacetime defense force" advocated by then Bureau of Defense Policy Director Kubo.

The series of developments was as follows. First, there was the assertion that such operations as dispatching the SDF for disaster relief and commissioned civil works, for example, should be recognized in an era of detente as primary duties on a par with countering direct aggression. (This was toned down little by little over time but still remained as a basic assertion.)

When it became clear a few years later that what had been considered "an era of detente" had been one in which the Soviet Union ordered enormous arms expansion at home in secret while proposing "detente" with the West, the United States immediately corrected its defense policy.

Our nation's response, without for some reason making a clear change in recognition, has responded by focusing on "defense" and "deterrence" against "foreign aggression" at the budget request stage each year. Then, came the situation of the Cold War system's collapse after the internal fall of the Soviet camp.

I am in complete agreement with recognizing the "diversification" of the roles expected of the defense forces.

Nevertheless, since building up defense forces requires investments of a huge amount of national resources over many years, it is extremely important to determine the events on which we should focus when building up the defense forces.

Let us take one concrete example:

The equipment at issue during the handling of the Great Hanshin Earthquake were the helicopters, whose necessity was stressed for their ability to report the situation on site in real time to the prime minister's official residence.

With helicopters dispatched to a disaster, it is not at all necessary to take protective measures against anti-aircraft fire from the ground (the protective measures refer to the requirements such as making the air frame's shape hard to detect, coating it with paint to absorb or deflect radar waves, making it from light and highly protective material, improving the turning performance, etc.). Arms for self-defense are not required. If these requirements can be ignored, the equipment dispatched in response to a disaster can be low cost and efficient for fulfilling this purpose.

Should "preparations of equipment to handle large-scale disasters" start, equipment based on the above idea (without thinking about dealing with enemies) would actually make a debut. Since the equipment cost can be reduced by decreasing the types and increasing the quantity of production, such helicopters would be deployed in all helicopter units.

After this has become the basic condition, if the SDF is told also to prepare for measures against enemy aggression, it should develop reconnaissance helicopters separately and deploy them in the units.

The above description took reconnaissance helicopters as an example, but if the above idea were introduced for all GSDF equipment, the GSDF would become a disaster rescue force, or an organization which requires an enormous amount of expenses with two types of equipment based on two extreme principles.

Each country makes national defense the first order of business for the nation's military. Other operations are performed as an effective peacetime usage of the war potential prepared based on the primary role. Our nation, too, has also done this. As the new NDPO's role is to determine the basis for how much of what kinds of defense force to maintain, we should take care should be taken so that the word "diversification" does not lead us down the wrong path.

To use the words used in the new NDPO, in building and maintaining the defense force, we "should focus on 'defense' or 'deterrence' against 'foreign aggression.'" Based on defense forces prepared in the above way and actual ability acquired through training, the basic attitude of responding to diverse events by considering the characteristics of each is likely to be important. The more "diversification" is stressed, the more important it will be to assign priorities to policies.

Japan: Trade Minister Holds Talks With Australian Counterpart

OW1705120496 Tokyo KYODO in English 1003 GMT 17 May 96

[FBIS Transcribed Text] Tokyo, May 17 KYODO — Japan and Australia reconfirmed their commitment to multilateral trade rules under the World Trade Organization (WTO) on Friday [17 May], in a meeting here between trade ministers of the two countries, Japanese trade ministry officials said.

Japanese International Trade and Industry Minister Shumpei Tsukahara met with Tim Fischer, Australian deputy prime minister and minister for trade, who is visiting Japan on his first foreign tour since he assumed office in March.

The conservative coalition of Australia's liberal and national parties defeated the Labor Party of Former Prime Minister Paul Keating in general elections in March, snapping its 13 years of rule.

Fischer is the first cabinet minister of the new administration led by Prime Minister John Howard to visit Japan.

Noting that Japan has respected WTO rules and will continue to do so, Tsukahara called for Japanese-Australian partnership in promoting them, a proposal welcomed by Fischer, the officials said.

Fischer also expressed appreciation for the role played by Japan at last year's meeting of the Asia-Pacific Economic Cooperation (APEC) forum in Osaka, where 18 member economies compiled an action agenda for trade and investment liberalization in the region, they said.

APEC trade ministers will convene in New Zealand in July to pave the way for this year's assembly scheduled to take place in Manila in November. They are also expected to discuss a possible agenda for the first WTO ministerial meeting to be held in Singapore in December.

Japan: Hashimoto: No Official Request From DPRK for Rice Aid

OW1705032896 Tokyo KYODO in English 0236 GMT 17 May 96

[FBIS Transcribed Text] Tokyo, May 17 KYODO — North Korea has not made any official request for Japan to extend additional rice aid to overcome a food shortage caused by last year's flooding, Prime Minister Ryutaro Hashimoto said Friday [17 May].

"We've seen such (media reports on North Korea's requests for aid) here and there, but they have not told us anything officially," Hashimoto told reporters, commenting on a North Korean official's remarks Thursday that Pyongyang hopes for unconditional additional rice aid.

Yi Song-nok, vice chairman of the external economic affairs commission, told a group of Japanese reporters visiting North Korea, "we would like to consider accepting rice support if it is unconditional, unlike last year's."

Hashimoto was noncommittal to arguments Japan should give additional rice aid on condition that North Korea participate in proposed four-way talks with South Korea, China and the United States to promote peace on the Korean peninsula.

"South Korea hasn't asked us to (give extra rice aid) either. Japan is in a position of wait and see," the prime minister told reporters in the Diet building.

Yi suggested that Pyongyang hopes to get several hundred thousand tons of additional rice aid from Japan.

Yi said North Korea told the leader of a delegation from Japan's ruling coalition last year that Pyongyang wants to take over all of Japan's surplus rice of 800,000 tons. "We have received only 500,000 tons so far, however," Yi said.

Japan agreed last year to supply a total of 500,000 tons of rice to North Korea, including 150,000 tons for free, on condition it be used for civilian use only.

Japan: DPRK Official Seeks Direct Tokyo-DPRK Flight

OW1705041696 Tokyo YOMIURI SHIMBUN in Japanese 16 May 96 Morning Edition p 2

[By Kaku Ishizuka]

[FBIS Translated Text] Pyongyang, 15 May — Yi Myong-pong, vice director of the Disarmament and Peace Institute [DPI], voiced gratitude for the Japanese rice assistance, saying, "We are deeply grateful to Japan for helping us during our distress." He made the comment during an interview with Japanese reporters at the DPI, an organ affiliated with the DPRK (North Korean) Foreign Ministry, on 15 May. Regarding normalization of Japan-DPRK relations, he sought to open a direct flight between the two countries, saying: "Building and strengthening ties of mutual trust will also benefit the stability of Northeast Asia."

Japan: Malaysia's Mahathir Promotes 'Multimedia Super Corridor'

BK1605131996 Kuala Lumpur THE STAR in English 16 May 96

[Report by Charles Chan — received via Internet]

[FBIS Transcribed Text] Tokyo — Foreign investors setting up projects in the proposed Multimedia Super Corridor (MSC) will benefit from a set of new incentives being considered.

The proposed package promises tax exemptions for five to 10 years and relaxation of employment restrictions to enable them to hire and fire without regard to ethnicity, race and religion, Datuk Sri Dr Mahathir Mohamed said yesterday.

At the same time, the Government would enforce intellectual property protection laws to encourage creativity and more investments, he added.

Speaking at a presentation on the MSC attended by Japanese business leaders, the Prime Minister said the package of incentives was aimed specifically at the MSC.

"The Guarantees Bill will include a provision to ensure availability of world-class physical and information infrastructure so that all the required capabilities and supporting services would be available to investors.

"The Government will also expand educational and training programmes to teach multimedia and IT [Information Technology] skills to ensure there will be sufficient skilled manpower.

"Immigration procedures will be expedited and stumbling blocks removed to provide unrestricted access to foreign expertise.

"All these incentives are geared towards making the MSC physically, environmentally and culturally the most attractive place to work as far as multimedia is concerned," Dr Mahathir said.

The Prime Minister said the window of opportunity for this project was closing rapidly and other organisations in the United States and Europe were already planning their multimedia parks and intelligent cities.

"Malaysia can spearhead this effort in the Asia-Pacific region and offer to Japanese industry a chance to extend its enterprises while enhancing profitability and productivity."

Dr Mahathir said Malaysia had many other strengths that would place the MSC as a leading multimedia catalyst centre, which include a cost advantage compared to other newly-industrialised economies in the region.

He said Malaysia had cultural links with all the major NIEs [newly industrialized economies] in the Asia-Pacific region and a population that was conversant in Malay, Indonesian, different Chinese dialects and different dialects of the Indo-Pakistani (sub)continent.

"So Malaysia can service both East and West from the Multimedia Super Corridor."

Dr Mahathir said the advent of the multimedia brought with it demands for rethinking the traditional laws governing communication.

"The stability of the Malaysian political scene will ensure that legal and other changes will not be bogged down by excessive politicking."

Later, Dr Mahathir said some of the world's leading players in entertainment, news, multimedia, information technology and other critical areas were being invited to the first Multimedia Asia '96 Exhibition in Kuala Lumpur on August 1.

Japan: Mahathir Encouraged by Moves Toward EAEC

OW1705030696 Tokyo KYODO in English 0726 GMT 17 May 96

[FBIS Transcribed Text] Tokyo, May 17 KYODO — Malaysian Prime Minister Mahathir Mohamad on Friday [17 May] said he is encouraged by the ongoing process in his initiatives to launch what is called the East Asia Economic Caucus (EAEC), an economic grouping of East Asian nations.

"I have long argued that it is time for East Asia to meet to discuss not only peace and friendship but also common prosperity and collective economic dynamism," he said in a speech at a symposium in Tokyo.

"I have been greatly encouraged by the process that is already in train," he said.

Mahathir cited as examples the ministerial meetings held over the past two years of the possible EAEC member countries — the Association of Southeast Asian Nations (ASEAN) plus China, Japan and South Korea.

The vocal Malaysian leader floated the idea of establishing the EAEC in December 1990. ASEAN made it a joint proposal in October 1991.

The proposed caucus has failed to officially take off, however, due in part to Japan's reluctance to join, which is the result of U.S. opposition to the project.

Mahathir expressed dissatisfaction with Washington's objections, saying the U.S. is opposed to the EAEC but Malaysia did not object to the formation of the North American Free Trade Agreement (NAFTA).

"I believe it is now time to launch an East Asian act of regional statesmanship whose intention is to start East Asia on the long road toward true peace and friendship," he said.

"Let us move forward together, armed with hopes for the future, fortified by the desire to work together, to build a great East Asian home for the peoples of East Asia, one that will be productive of our interests and of the interests of all mankind," he said.

Japan: Sakigake Chief Urges China Not To Conduct Nuclear Test

OW1705053396 Tokyo KYODO in English 0439 GMT 17 May 96

[FBIS Transcribed Text] Tokyo, May 17 KYODO — New Party Sakigake Leader Masayoshi Takemura urged China on Friday [17 May] not to conduct further nuclear tests, but failed to gain any pledges, party officials said.

In a meeting with Wu Dawai, charge d'affaires at the Chinese Embassy in Tokyo, Takemura said "there are reports that China will soon resume nuclear testing, but we would like you to halt nuclear tests." Wu, however, said he had not heard about such reports.

Sakigake is a member of the ruling coalition which also comprises the Liberal Democratic Party and the Social Democratic Party.

Takemura was among antinuclear activists who sailed to the south Pacific last year to protest France's resumption of nuclear testing at the Mururoa and Fangataufa Atolls.

China is the only declared nuclear power which has not declared a test moratorium amid international efforts to conclude negotiations for a global nuclear test ban before the U.N. General Assembly session opens in September.

China's next nuclear test, expected to be carried out in May or June at the Lop Nor underground test site in the northwestern region of Xinjiang, would be its 44th.

Beijing, which argues it has conducted a smaller number of tests than any of the four other declared nuclear powers — Britain, France, Russia and the United States — has said it will sign a comprehensive test ban treaty and halt testing when the pact enters into force.

"China wants peaceful nuclear explosions to be allowed under the treaty, but we want to show flexibility for the sake of an agreement," Wu said, reiterating China's pledge to offer some compromise.

The U.N.-sponsored negotiations for the treaty have been flagging, mainly due to China's insistence that so-called "peaceful nuclear explosions" be excluded from the pact.

New hopes were raised Tuesday, when Sha Zhukang, China's ambassador to the Geneva-based disarmament conference, said Beijing "is prepared to show a reasonable degree of flexibility on the peaceful nuclear explosion issue."

Japan: Ramos: Manila, Tokyo Agree To Further Promote Ties

OW1705100296 Tokyo KYODO in English 0922 GMT 17 May 96

[FBIS Transcribed Text] Tokyo, May 17 KYODO — Philippine President Fidel Ramos said Friday [17 May] he and Japanese Prime Minister Ryutaro Hashimoto have agreed on the need to further promote bilateral ties and on the importance of Japan-U.S.security ties for stability in the Asia-Pacific region.

"We both reaffirmed the enduring importance of the Philippines-Japan partnership, particularly in its present state, which is very bright," Ramos said during a news conference at a Tokyo hotel after meeting here with Hashimoto on Thursday and Friday.

He said both leaders agreed "there is tremendous potential for economic cooperation, especially since both countries are moving forward with economic opening up and reform programs."

During a meeting with Hashimoto on Friday morning, Ramos expressed support for Japan's bid to gain permanent membership on the U.N. Security Council, Japanese officials said.

At the press conference, Ramos said he discussed regional security issues with Hashimoto, including the recent Japan-U.S. security arrangement and developments in the South China Sea.

With regard to the bilateral meeting with Hashimoto and U.S. President Bill Clinton last month to reaffirm security ties, Ramos said, "we in the Philippines welcome this development. We feel this will provide a deeper basis for restability [as received] and security of the asia-Pacific."

Ramos said that the arrangement would effectively counter regional threats to peace and stability.

"It is the long-term stability and security of the Asia-Pacific (region) that must be given the most urgent priority because that is the foundation of East Asia and Asia-Pacific dynamic economic growth," he said.

The Philippine president said he did not discuss issues relating to the so-called "comfort women," or women forced into sexual servitude for Japanese soldiers before and during World War II. Ramos said the Philippines and Japan have already resolved "this very sensitive subject" through an "institutionalized solution."

Historians estimate that between 80,000 to 200,000 women were forced into sexual servitude for Japanese Imperial Army troops. Many of the women were from Korea, but a sizable number were from the Philippines and China.

Concerning relations between China and Taiwan, strained by China's live-ammunition military exercises in the Taiwan Strait in March, Ramos said the Philippines maintains its continued support for a "one-China policy," adding, "we have been consistently fulfilling that policy to the mutual satisfaction of both China and the Philippines."

On another regional issue, Ramos said the Philippines, in hosting the upcoming Asia-Pacific Economic Cooperation (APEC) forum in November, will still concentrate on economic cooperation. He noted trade investment, economic facilitation and development cooperation will be on the agenda of the upcoming APEC meeting.

Ramos also had a meeting with Malaysian Prime Minister Mahathir Mohamad in Tokyo, which he described as "warm and friendly." The two resolved to continue joint endeavors to bring development to the region and to consolidate bilateral ties, especially in regional growth matters.

In discussions with Japanese business leaders, the Philippine president exchanged views about the future of the Philippine economy and expansion of Japanese investment in the country.

Ramos and Mahathir are in Japan to attend an international conference on the future of Asia, sponsored by the major economic daily NIHON KEIZAI SHIMBUN.

Japan: ROK Official: Seoul Wants No Rapid Change in DPRK

OW1705040796 Tokyo YOMIURI SHIMBUN in Japanese 16 May 96 Morning Edition p 2

[FBIS Translated Text] On 15 May, Kim Yun-hwan, president of the ROK's Korea-Japan Parliamentarians Union, who is currently visiting Japan, met with Liberal Democratic Party [LDP] Secretary General Koichi Kato at the LDP main office and exchanged views on the DPRK (North Korea) situation and other issues. During the meeting, Kim said: "(North Korea) is experiencing very severe economic and food supply problems. I would not be surprised if the country collapses at any time, but Seoul does not want rapid change." He indicated that the DPRK situation has become increasingly opaque.

Japan: World Bank President Meets Finance Minister

OW1605142396 Tokyo KYODO in English 1345 GMT 16 May 96

[FBIS Transcribed Text] Tokyo, May 16 KYODO — World Bank President James Wolfensohn said Thursday [16 May] the bank is ready to cooperate with Japan in promoting development in Asia, Finance Ministry officials said.

Wolfensohn made the remark at a meeting with Finance Minister Wataru Kubo, the officials said.

Kubo asked for the World Bank's cooperation in proceeding with the development in the region, telling Wolfensohn that the bank's role is significant for that purpose, they said.

Japan: Ruling Parties Vote To Begin Debate on 'Jusen'

OW1605162596 Tokyo KYODO in English 1505 GMT 16 May 96

[FBIS Transcribed Text] Tokyo, May 16 KYODO — The ruling coalition cleared a hurdle Thursday [16 May] toward enacting a bill to liquidate seven failed mortgage firms, or "jusen," with the approval in the House of Representatives' steering committee of the start of full-house debate next Tuesday.

With a majority of the three ruling coalition parties, the committee approved the start of question-and-answer sessions over the bill together with five other bills in the lower house plenary session.

The jusen bill calls for the use of 685 billion yen in tax money to help mop up losses resulting from the liquidation of the housing loan companies under the fiscal 1996 budget.

Shinshinto (New Frontier Party) had voiced opposition to the ruling parties' idea of making a package of the six bills, as the other five are designed to deal with reforming the nation's overall financial system.

After the question-and-answer sessions, the package of bills is scheduled to be discussed in the lower house's special panel on monetary affairs.

But the ruling and opposition parties are likely to clash over Shinshinto's demand that Koichi Kato, secretary general of the dominant ruling partner Liberal Democratic Party (LDP), be summoned over his alleged receipt of shady political donations.

Shinshinto insists Kato's testimony is a prerequisite for entering debate in the special panel.

Japan: Kubo: Fiscal Rebuilding Policy Planned for Summer

OW1705024796 Tokyo KYODO in English
0106 GMT 17 May 96

[FBIS Transcribed Text] Tokyo, May 17 KYODO — Finance Minister Wataru Kubo indicated Friday [17 May] that the government will work out a basic policy by this summer on measures to reconstruct Japan's strained finances.

"The government will proceed with debate on its basic policy with an eye to the setting of guidelines for spending requests for fiscal 1997," Kubo said at a news conference.

The government usually decides on guidelines in early August for maximum limits to budgetary appropriations requests for the next fiscal year. Based on the "ceiling," government ministries and agencies present their spending requests by the end of August.

Kubo reiterated the government wants to make fiscal 1997, which starts next April, the first year of Japan's fiscal reconstruction.

Kubo said debate on the fiscal reconstruction issue should not result in a simple review of budgetary expenditures and revenues.

The issue should be considered in the context of "structural" reforms in Japan's fiscal policy through the overhauling of tax, social security and other various systems, he said.

By some measures, Japan's fiscal condition is the worst among the group of seven major industrialized countries. The balance of its outstanding government bonds is estimated to total 240 trillion yen at the end of next March, accounting for nearly 50 percent of the nation's gross domestic product.

At the initiative of Prime Minister Ryutaro Hashimoto, the government Thursday started discussing the fiscal reconstruction issue jointly with four government advisory panels related to fiscal, economic, tax and social security issues.

Japan: MITI Paper Urges Tokyo To Promote Innovation

OW1705005996 Tokyo KYODO in English
2337 GMT 16 May 96

[FBIS Transcribed Text] Tokyo, May 17 KYODO — Japan should encourage innovation and foster new industries to lure investment at a time when companies, both domestic and foreign, are deepening their commitment to an international division of labor through direct investment, the trade ministry said Friday [17 May].

"What Japan needs is an active commitment to structural reform to boldly rectify its costly (economic) system and stimulate innovativeness," the Ministry of International Trade and Industry (MITI) said in an annual white paper on trade.

The paper, which was submitted to the cabinet by MITI Minister Shumpei Tsukahara, also calls for active participation in international initiatives to reduce the risks involved in direct investment and for studying the role of regional partnerships in the world trading system.

On innovations — the process of technological change by which new ideas are created — the paper points out that U.S. and European economies have fared relatively well since the 1980s in part because of innovative "moves to expand economic frontiers."

These economies are undergoing an accelerating shift in emphasis from the manufacturing industry to the service industry, it says.

The ratio of manufacturing workers, for instance, fell to 20.5 percent of the total workforce in the United States in 1993 from 24.8 percent in 1985. The figure declined from 30.8 percent to 24.3 percent in Britain and from 39.7 percent to 36.2 percent in Germany.

In the U.S., the information and telecommunications and the health and medical sectors are two notable growth industries on both the manufacturing and service fronts. They made up about 70 percent of the top 40 listed U.S. firms in terms of sales growth between 1990 and 1994, the paper says.

The chemical and pharmaceutical sectors are major growth industries in Europe, as are the privatized utility sectors including the waste processing business, according to the paper.

Innovations play an important role in the growth of these new industries, the paper says, citing multimedia equipment and services, as well as biotechnology-based medications, as examples.

The paper argues that regional concentrations of companies are important to innovation, noting that nine of the top 40 listed U.S. Companies with high sales growth are located in silicon valley and five are in San Diego, where health-related companies huddle.

The situation "allows companies to enjoy the merits of integration in exchanging information to discover seeds of technology and cultivate potential demand," a MITI official said.

To spur innovation in Japan, the paper calls for utilizing the merits of regional concentration, pursuing deregulation, developing telecommunications and other infrastructure, promoting research and development, and developing systems for supplying funds to venture businesses.

The MITI paper also says direct investment abroad by Japanese companies resumed growing in fiscal 1993 through March 1994, reversing the downward trend since the peak of fiscal 1989.

By region, investment in North America and Asia has been picking up. Manufacturers directed half of their overseas investment into Asia in the first half of fiscal 1995, according to the paper.

The growth of overseas operations by Japanese firms as a result of direct investment is reflected in the changes in Japan's trade structure whereby exports of producer goods are rising, as are finished goods imports.

The paper notes, however, that different industries have different reasons for moving operations offshore, and the pace of the transition varies from one industry to another.

Semiconductor makers are globalizing their production bases and forging international alliances to form an intricate division of labor among them, which is boosting the two-way microchip trade among Japan, the rest of East Asia, North America and Europe, the paper says.

Machine tool makers, however, have been keeping a low profile in moving output offshore because their largest clients are Japanese manufacturers, the paper says.

The profitability of Japanese-owned overseas units differs from region to region. Average earnings for the past three years show that Japanese-owned overseas manufacturing arms turned profits in Asia and the Middle East, but incurred losses in Europe and North America.

The majority of Japanese manufacturers consider their profits repatriated from overseas units — even those in Asia which are chalking up solid returns — as insufficient, the paper says.

They blame weak profit repatriation from Asia on transmittance limits and other restrictions in host countries as well as on heavy corporate tax burdens in Japan, among other factors, it says.

Around 15 to 20 percent of Japanese companies operating in North America, Europe and Asia have experienced divestiture in the past, the paper says, stressing the need for "exhaustive feasibility studies" and other corporate efforts to minimize this problem.

To address the risks and other problems associated with direct investment, the paper urges commitment to drawing up international rules such as the multilateral agreement on investment currently under negotiation by the Organization for Economic Cooperation and Development (OECD).

Meanwhile, the paper draws attention to the diverse and expanding initiatives for regional partnerships ranging from traditional cooperation toward trade liberalization to major deals like the North American Free Trade Agreement (NAFTA) aimed at harmonizing domestic systems.

The paper indicates these partnerships could be beneficial not only to member economies but to those outside the group when regional income grows through market expansion and enhanced competition, boosting demand for external goods and services.

However, it underlines the need to strengthen the discipline of regional integration to prevent erosion of "confidence in the rules and procedures under multilateral trade systems," noting that the World Trade Organization (WTO) is already studying the issue.

Today, the only remaining issue before the North and South can guarantee durable peace is to properly implement the already adopted and effective North-South agreement. The South Korean puppets are not a signatory to the Armistice Agreement; they do not have the prerogative of military command nor real power. They do not have any qualification or pretext for barging in on the issue of establishing a new peace mechanism between us and the United States. They should stop the anti-Republic confrontation commotion, arms buildup, war provocation maneuvers, and all sorts of antinational, antipeace, and antireunification crimes. All they have to do is implement the declaration on nonaggression, which the North and South had promised before the nation. The South Korean puppets should immediately stop their loathsome interference against a new peace mechanism between us and the United States.

Peace does not come naturally only because someone hopes for it. Peace can only be won through a pannational struggle. All Korean people in the North, South, and overseas should rise in unison in the struggle to guarantee peace and security on the Korean Peninsula and to expedite the reunification of the fatherland, our aspiration of the century. They should also resolutely smash the maneuver to provoke a new war being pursued by the bellicose U.S. circles and the Kim Yong-sam traitor clique, which is currying favor with and following the bellicose U.S. circles.

DPRK: 14-15 May 'Air War Exercise' by ROK, U.S. Noted

SK1705032096 Pyongyang KCNA in English
0309 GMT 17 May 96

[FBIS Transcribed Text] Pyongyang, May 17 (KCNA) — The South Korean puppets again carried out large-scale joint air war exercise against the North in league with the U.S. imperialist warmaniacs on May 14 and 15, military sources said.

The exercise for surprise preemptive air strikes at the North involved more than 1,100 fighter planes belonging to the Air Force of the South Korean puppet army and to the U.S. Seventh Air Force and the U.S. Pacific Fleet.

The exercise was carried out in support of E-3 Air Command Plane from an overseas base.

On the same days, the South Korean puppets let scores of helicopter gunships and transport helicopters fly over Paju city and Yonchon County, Kyonggi Province, and Chorwon County, Kangwon Province of South Korea, to stage an air strike exercise aimed at the targets of the front areas of the North and an operation to airlift commandoes to the North's depth.

The 105 mm artillery group of the puppet army deployed in the areas fired over 200 shells toward the forefront area on Wednesday.

The Kim Yong-sam group, who are being driven into a tight corner, seek to tide over a catastrophic crisis by provoking a war against the North, but it is a foolish thing.

The South Korean puppets should see straight at the situation and not run amuck.

DPRK: ROK Group Urges Punishment of Kwangju 'Murderers'

SK1605141096 Pyongyang KCNA in English
0805 GMT 16 May 96

[FBIS Transcribed Text] Pyongyang, May 16 (KCNA) — The Kwangju-South Cholla provincial joint measure committee for putting on trial those responsible for the May 18 massacre and other dissident organisations of South Korea on May 14 demanded the murderers who brutally suppressed the Kwangju popular uprising in May 1980 be severely punished and the United States make an open apology for the incident, according to a radio report from Seoul.

On the same day, the committee in a press conference denounced the Kim Yong-sam regime for backing those related to the Kwangju massacre so that the trial of them became nominal.

The organisation demanded once again that necessary measures be taken at once, including the correct description of the May 18 Kwangju popular uprising in textbooks, the definition of the day as a memorial day and deprivation of "prizes" and "orders" awarded to the murderers.

The co-chairmen of the meeting of professors for punishment of those related to the May 18 massacre in a press conference condemned the traitor Kim Yong-sam for holding a perfunctory trial of the murderers, and demanded a severe punishment for the criminals and an open apology of the United States, which wirepulled the incident.

After the press conference they handed the U.S. Embassy in Seoul a letter of protest demanding an open apology of the United States.

Meanwhile, the members of the National Federation for Democracy and Reunification called at the American Embassy and handed in a letter of protest urging the United States to open to the public the documents related to the May 18 massacre and make an apology for its crime.

North Korea

DPRK: New Peace Mechanism Termed U.S.-DPRK Issue

SK1705111496 Pyongyang Korean Central Broadcasting Network in Korean 0748 GMT 17 May 96

[Unattributed talk: "The Establishment of a New Peace Mechanism Is a Prerequisite for Guaranteeing Peace"]

[FBIS Translated Text] Today, public opinion at home and abroad is consistently claiming that the issue that must first be resolved in guaranteeing peace and security on the Korean peninsula and in realizing reunification is the establishment of a new peace mechanism between us and the United States.

The issue of establishing a new peace mechanism between us and the United States is one of the unavoidable issues arising in guaranteeing peace and security on the Korean Peninsula and realizing reunification.

The Great Leader [widaehan suryong] Comrade Kim Il-song taught that the peace agreement must be concluded so that the danger of a new war breaking out on the Korean Peninsula can be eliminated and an atmosphere created for peacefully reunifying the fatherland.

Currently on the Korean Peninsula, which is not that large, the amount of arms involved in a bitter tug-of-war, with the Military Demarcation Line in the middle, is greater than can be found anywhere else in the world. In particular, some 40,000 U.S. troops and various kinds of some 1,000 nuclear weapons are deployed in South Korea, and the commotion of war exercises to invade the North, which is being endlessly conducted by the U.S. imperialists and the South Korean puppets, is a grave threat to peace and security in our country.

Because such a situation continues to exist on the Korean Peninsula, accidental incidents cannot be prevented by the old armistice system. As is clear to anyone, the Armistice Agreement is an agreement to temporarily suspend a fight. It is by no means a solid guarantee of peace. Moreover, the Armistice Agreement on the Korean Peninsula today has become nothing but a mere name due to the irresponsible and unreasonable acts of the U.S. side, and the Armistice Supervisory Commission, which is its implementation organization, has become like a house without a roof.

If the situation is left as it is, it is as clear as seeing a fire that we will be unable to prevent the recurrence of war on the Korean Peninsula. To prevent an increase in the arms buildup and the recurrence of war on the Korean Peninsula, guarantee peace and security, and realize reunification, the old armistice system must be replaced with a new peace mechanism.

An agreement on nonaggression was concluded between the North and South and the agreed framework was adopted between the DPRK and the United States. Thus they are in the implementation stage. Under today's conditions, replacing the armistice system with the peace mechanism has already been presented as a mature requirement.

The issue of establishing a new peace mechanism on the Korean Peninsula can be resolved only between our Republic and the United States, which are the real parties involved in the conclusion of the Armistice Agreement and the real powers of the peace mechanism.

In the past, stemming from a peace-loving and reunification-oriented position, our party and the Republic's government have improved DPRK-U.S. relations and North-South relations, which were in a confrontational situation; repeatedly put forth the most rational and practical proposals and methods to achieve the country's solid peace and peaceful reunification; and made all kinds of sincere efforts to realize them.

In April 1994, we proposed a new peace mechanism, and later even took a series of implemental steps. However, our just proposals and sincere efforts have not yet borne fruit because the United States has not fulfilled its responsibilities for guaranteeing peace and security on the Korean Peninsula, but has continued to take an insincere attitude, while the South Korean puppets have been running wild with the maneuvers of anti-Republic confrontation and war provocation.

The United States is a signatory to the Armistice Agreement, and one which broke the Armistice Agreement, and which has the prerogative of military command in South Korea. The United States has no reason to refuse negotiations with us on replacing the old armistice mechanism with a new peace mechanism. If the United States truly hopes for peace and peaceful reunification of the Korean Peninsula and looks forward to durable peace and security, it has no reason to hesitate to establish a new peace mechanism with us.

When a new peace mechanism is established between us and the United States, the situation on the Korean Peninsula will no doubt be alleviated, the North-South agreement will be smoothly implemented, and a favorable situation will be created for achieving peace and peaceful reunification of the country. In conformity with the spirit of the DPRK-U.S. agreed framework, the United States should modify its anachronistic policy leaning one-sidedly toward South Korea, and its hostile policy against the DPRK, and should show a positive response to our proposal to establish a new mechanism.

DPRK Officials Attend Kwangju Uprising Anniversary Rally

SK1705020396 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 16 May 96

[FBIS Translated Excerpt] A mass rally marking the 16th anniversary of the heroic Kwangju popular uprising was held at the Pyongyang indoor stadium on 16 May. [passage omitted on portions describing the venue]

Seated on the rostrum were Comrade Yi Chong-ok, member of the Political Bureau of the Central Committee of the Workers Party of Korea [WPK] and vice president; Comrade Yang Hyong-sop, candidate member of the Political Bureau of the WPK Central Committee and chairman of the Supreme People's Assembly [SPA]; Comrade Kim Chung-nin, secretary of the WPK Central Committee; Comrade Chang Chol, vice premier of the Administration Council; Ms. Yu Mi-yong, chairman of the Central Committee of the Korea Social Democratic Party; Kang Hyon-su, responsible secretary of the Pyongyang Municipal Party Committee and chairman of the Pyongyang Municipal People's Committee; Yo Yon-ku, chairwoman of the Central Committee of the Democratic Front for the Reunification of Fatherland [DFRF]; Chu Song-il, chairman of the Central Committee of the General Federation of Trade Unions of Korea; Choe Song-suk, chairman of the Central Committee of the Union of Agricultural Working People of Korea; Paek In-chun, chairman of the North side Headquarters of the National Alliance for the Country's Reunification and chairman of the General Federation of Unions of Literature and Arts of Korea; Kim Yong-ho, vice chairman of the Central Committee of the Korean Social Democratic Party; Paek Nam-chun, director of the Secretariat of the DFRF Central Committee; Han Si-hae, director of the Secretariat of the Committee for the Peaceful Reunification of Fatherland; Kang Yong-sop, chairman of the Central Committee of the Korean Christians Federation; Pak Tae-ho, chairman of the Central Committee of the Korean Buddhists Federation; Chang Chae-chol, chairman of the Central Committee of the Korean Roman Catholics Association; Kang Tae-mu, director of the Secretariat of the Consultative Council of Former South Korean Politicians in the North for the Promotion of Peaceful Reunification; responsible functionaries of the social organizations; deans and presidents of colleges and universities; and heroes and labor innovators.

Yi Chong-sang, chief of the Pyongyang mission of the National Democratic Front of South Korea, also appeared at the rostrum.

The rally began with the playing of the national anthem. In the rally, Yang Hyong-sop, candidate member of the Political Bureau of the WPK Central Committee and chairman of the SPA, delivered a speech. [passage omitted on slogans at the rally]

DPRK: Yang Hyong-sop Addresses Rally on Kwangju

SK1605143296 Pyongyang Korean Central Broadcasting Network in Korean 0803 GMT 16 May 96

[Speech by Yang Hyong-sop, candidate member of the Political Bureau of the Workers Party of Korea Central Committee and chairman of the Supreme People's Assembly, at a Pyongyang Indoor Stadium mass rally commemorating the 16th anniversary of the Kwangju uprising in South Korea — live]

[FBIS Translated Text] Comrades, today the people across the country are united in one heart around the Great Leader [widaehan yongdoja] Comrade Kim Chong-il, and are uplifting the red flag and vigorously accelerating the general march of socialist construction to display the grandeur of chuche-based Korea. In South Korea, the people are boldly waging the struggle to execute the culprits of the 18 May Kwangju massacre, and to achieve independence and democracy in society and the reunification of the fatherland. Under these circumstances, we are marking the 16th anniversary of the heroic Kwangju popular uprising.

The Kwangju popular uprising was an anti-imperialist, antifascist, and democratic resistance of the South Korean people, who rose to oppose U.S. colonial rule in South Korea and the extension of the fascist dictatorship under the Yusin revitalization system, and who aspired for democracy and the reunification of the country. It was a death-defying resistance and an armed popular uprising in which all Kwangju citizens became resistance fighters against the fascist brutality.

As everyone knows, after the fascist dictator of the Yusin revitalization was eliminated in South Korea in October 1979, the people's struggle to accomplish the democratization of society was greatly accelerated. Surprised by the South Korean people's popular uprising, the United States urged traitors Chon Tu-hwan and No Tae-u, and the rest of the military fascist clique, to grasp power. Then, on 17 May 1980, the United States made them expand the emergency martial law status to a nationwide scale, and arouse a storm of unprecedented fascist atrocity against the patriotic people and democratic figures. Enraged by this, the South Korean youth, students, and people broke out in a popular uprising in Kwangju on 18 May, and took to the streets in resistance, shouting "Lift the emergency martial law," "Abolish the Yusin revitalization system," and "Yankee go home."

The participants in the uprising waged a bloody struggle against the martial law troops, who fired bullets at them. They seized the soldiers' weapons to arm themselves, making their struggle an armed popular uprising. For seven days, they completely seized and defended Kwangju, which had been swept by the fascist murderers. About a million youth, students, workers, peasants, intellectuals, religionists, and businessmen of Kwangju and the neighboring areas joined the heroic resistance. The flame of struggle quickly spread to Mokpo, Naju, Hwasung, Yonggwang, Namyang, and many other places in South and North Cholla Provinces.

In order to brutally suppress the courageous struggle of the Kwangju resisters, the United States handed over to the Chon Tu-hwan fascist clique 70,000 puppet troops under its control, 150 tanks and armored cars, 100 guns, and aircraft and missiles. The United States also dispatched an aircraft carrier and warships to the waters of South Korea to protect the military gangsters' massacre and atrocity.

Traitor Chon Tu-hwan told the airborne troops that it was fine to kill 70 percent of the Kwangju citizens and ordered them to kill all young people. He even fed narcotics to the troops and made them commit indiscriminate killing of the demonstrators. The fascist murderers even used toxic chemical weapons and shot all resisters who rose in the popular uprising. In the apalling massacre, people were shot to death, stabbed to death, beaten to death, crushed to death, and buried alive. They killed over 5,000 people in only 10 days and injured 14,000. The horrible massacre turned the entire city of Kwangju into a city of death and a tub of blood. The Kwangju massacre committed by the Chon Tu-hwan and No Tae-u ring under the behind-the-scenes manipulation of the U.S. imperialists was a most cruel and brutal national butchery unprecedented in history.

Even though the Kwangju popular uprising was a setback to the fascist armed suppression, it was a heavy blow to the colonial military fascist rule of the foreign force and its stooges, and greatly encouraged the anti-imperialist and antifascist struggle of the South Korean people, as well as the national liberation struggle of all oppressed people in the world. It marked a turning point in the development of the struggle for anti-imperialism and independence in South Korea.

The main culprits in the Kwangju murders have now been put behind bars in South Korea, primarily as a result of the consistent struggle by young people, students, and other patriotic people.

On this occasion marking the 16th anniversary of the heroic Kwangju people's uprising, on behalf of all people of the northern half of the Republic, I pay my respects to the martyrs who were sacrificed in the courageous struggle to achieve democracy in South Korean society and peaceful reunification of the country. I also extend warm compatriotic support and encouragement to South Korean people who, inheriting the noble struggle spirit of the fighters, are vigorously waging the struggle for independence, democracy, and reunification. [applause]

Comrades: Sixteen years have passed since the Kwangju people's uprising in South Korea in which the patriotic spirit of the young people, students, and people in general was demonstrated. However, the earnest desire of the participants in the Kwangju uprising has not yet been fulfilled, and the South Korean people are still shackled under the harsh colonial, fascist rule.

The South Korean people's national sovereignty and democratic freedom are being infringed upon more harshly than they were 16 years ago, when the Kwangju uprising took place. This is because of the United States' unchanging policy to rule South Korea and the vicious traitorous act by the South Korean rulers who, following in the footsteps of the U.S. policy, are perpetrating traitorous toadyist acts, fascist confrontation, and war maneuvers.

Even today when the East-West cold war structure has collapsed, the United States has decided to retain its forces in South Korea, which it had promised to reduce; brought more weapons of mass murder and other war materiels into South Korea; and carried out an anachronistic policy of further inspiring the South Korean warmongers into confrontation with us.

In the early days of his rule, the South Korean chief executive [namjoson tanggukchanun] advocated the so-called policy of putting the nation above anything else, saying that no ally could be better than the nation. Reality proves that that was a mere hypocrisy to deceive people and make a fool of the nation.

Traitorous acts by the South Korean rulers are shown extensively in the fact that they, as inspired by the United States, are persistently perpetrating maneuvers to provoke a war of northward aggression against their fellow countrymen. While openly raving that the North-South issue can be resolved by military forces, they are randomly bringing in from overseas military equipment of all sorts and offensive weapons of murder. They are also almost daily staging war exercises of various sorts in the air and on the land and sea of South Korea with outside forces, in place of the Team Spirit joint military exercise, and are thus aggravating the situation in the country to the utmost.

We recently took a due self-defensive measure to defend the supreme interests of the Republic and the peace and security of the country. Taking this as an opportunity, the South Korean bellicose elements are perpetrating war frenzies more recklessly.

The South Korean rulers have made public a plan to provoke a war of northward aggression, the five-stage Operational Plan 5027, which was mapped out at the initiative of the U.S. bellicose elements. They are openly seeking to implement this plan, enumerating such powder-reeking violent concepts as instant reprisal. They are also bringing tanks, cannon of various calibers, and heavy weapons and numerous armed personnel into the area south of the Military Demarcation Line and the DMZ on a large scale and deploying them there, thus turning this area into a completely armed area for northward aggression and a base for attack.

On the Korean peninsula, the clouds of war are constantly moving northward, and the situation is about to reach an unpredictable level of danger.

If the gunfire of war resounds on the Korean Peninsula, where the modernized forces of the North and South are tensely confronting each other along the Military Demarcation Line, our fellow countrymen in the North and South will suffer grave catastrophes, and the peace and security of Asia and the Pacific will be destroyed.

In response to this situation, we convened a joint meeting of parties and organizations in January and designated this year as a year of peace and great national unity. And, as a practical measure, we proposed a moratorium on the holding of large-scale joint military exercises that: incite the other side and bring in military equipment from outside; abolish legal and systematic mechanisms that serve as obstacles to dialogue; implement the three-point principle on the fatherland's reunification, on which the North and South have already agreed, and achieve reunification through confederacy; and hold contact and dialogue among parties, organizations, and figures from all walks of life without questioning their past as long as they desire the fatherland's reunification from a national and independent stand.

Also, a while ago we advanced a momentous proposal for signing a tentative agreement between the DPRK and the United States even before the incapacitated Armistice Agreement is replaced by a peace agreement, thus easing the unstable situation on the Korean Peninsula and ensuring a stable peace there.

Our stand of national independence and the peace-loving position with which we seek to achieve detente, peace, and reunification — which no one can give us — on the strength of our nation are contained in all these initiatives and proposals by us. And, our patriotic aspirations and efforts to rescue the country and the nation from the danger of war, which was imposed on us by outside forces and toadyist and treacherous bellicose forces, and to achieve a new turning point in the fatherland's reunification are reflected in these initiatives and proposals.

Our peace-loving position has already been proven and leaves no room for doubt. Nevertheless, ultra-rightist conservatives in the United States and the South Korean rulers are spreading rumors about a nonexistent threat from the North and perpetrating war commotions. They are doing so based on a wicked scheme to resolve the crisis facing their colonial rule in South Korea and to justify their policy of war.

However, no matter what slanderous tricks they may employ, the U.S. bellicose elements and South Korean authorities will not be able to escape their criminal responsibility.

In order to avoid the inescapable crisis of destruction, the South Korean rulers are deliberately aggravating the situation and more viciously perpetrating the fascist suppression of the young people, students, and South Korean people in general. Last year, they arrested and detained Mrs. Pak Yong-kil, in her seventies, and Chong Min-chu and Yi Hye-chong, representatives of the National Federation of General Student Councils, who returned to South Korea after visiting the North to promote North-South reconciliation and unity, persecuted them in all manner of ways, and doled out harsh punishments to them. They also committed a fascist violent act by arresting and detaining members of the South side's headquarters of the National Alliance for the Country's Reunification en masse and trying and punishing them.

And recently they committed a bestial, brutal act by bloodily suppressing just gatherings and demonstrations of young people and students and mercilessly murdering many students. Also, they are harshly suppressing the South Korean workers for waging struggles for the right to existence.

The South Korean rulers, even while wearing the hats of civilian rule, are wielding fascist guns and bayonets. This can be more clearly proven by the fact that they are protecting the ringleaders who mercilessly murdered the participants in the Kwangju uprising. The South Korean rulers are protecting the traitors Chon Tu-hwan and No Tae-u, the murderers who should be executed as a matter of course, with guns and bayonets and putting them on perfunctory trial. This is an intolerable defilement of the martyrs in Kwangju who fell in the streets of resistance while shedding blood and the young people, students, and people in general who are resolutely fighting by following in their footsteps.

In the name of all Korean people, I sternly denounce the bellicose U.S. circles and the South Korean ruling camp, who suppress with guns and swords the South Korean people's just patriotic struggle, inspire confrontation and war between the North and South, and lay a grave obstacle before peace and reunification of the Korean Peninsula. [applause]

Comrades, establishing national sovereignty and achieving peaceful reunification of the country is a long-cherished desire of the participants in the Kwangju uprising, and an invariable demand and the will of the entire nation.

The Great Leader [widaehan yongdoja] Comrade Kim Chong-il pointed out: Our people's struggle to achieve the reunification of the fatherland is essentially a struggle to oppose foreign imperialist control and interference and to achieve national sovereignty.

In order to achieve the fatherland's reunification, the greatest wish of the nation, foreign control and interference should be rejected, and national sovereignty should be achieved in South Korea. People who cherish the destiny of the country and nation and who truly desire the reunification of the fatherland should all reject the invasion and interference maneuver of foreign forces, and resolutely oppose the flunkeyist and treacherous policy and the antireunification divisionist maneuver of the South Korean ruling camp.

Today in our country, preventing the risk of war and alleviating tensions is an urgent task for peacefully realizing the reunification of the fatherland. All Korean people who long for the peace of the country and safety of the nation should actively rise to the pannational solidarity struggle to crush the war provocation maneuver of the bellicose elements at home and abroad.

The United States, which is an actual party to the Korean Armistice Agreement and which is directly responsible for ensuring peace on the Korean Peninsula, should make a coolheaded assessment of the development of today's situation, and do something that will actually be conducive to the peace and security of our country.

The United States should withdraw its hostile policy against the DPRK, which is a relic of the Cold War era. We sincerely hope to achieve a durable peace on the Korean Peninsula, and believe that the United States should fulfill its due responsibilities.

If the South Korean authorities are truly interested in peace and reunification for the country, they should abandon their obsolete conception of confrontation, stop the war commotions for northward aggression, abolish the National Security Law and other vicious anti-reunification fascist laws, and release without delay pro-reunification and patriotic figures, youth, and students who have been unfairly arrested and imprisoned.

All Korean people in the North, South, and overseas should firmly unite under the flag of the 10-point program of the great unity of the whole nation for the reunification of the fatherland presented by the Great Leader [widaehan suryong] Comrade Kim Il-song, the eternal sun and father of the nation. With united strength, they should smash the antireunification maneuver of divisionist forces, and should rise in unison to the pannational struggle to accomplish the cause of reunification of the fatherland.

Under the given situation, all party members and working people in the northern half of the Republic should take an alert and prepared posture. If the enemies touch an inch of the land or a patch of grass of our fatherland, they all should rise up like a mountain and sweep out the enemies with a single blow, resolutely defending our socialist fatherland and national sovereignty.

Victory and glory is always before our people, who follow the tested leadership of the Great Leader [widaehan yongdoja] Comrade Kim Chong-il, bear faith and optimism in sure victory, and vigorously march on while lifting high the red flag of revolution. [applause]

Let us all firmly unite around the Great Leader [widaehan yongdoja] Comrade Kim Chong-il, boldly smash the enemies' maneuver to provoke a war, defend the safety of the country and nation, glorify our popular masses-centered style of socialism, and more vigorously fight on to expedite independent and peaceful reunification of the fatherland. [applause]

DPRK: ROK Ruling Party Accused of 'Destruction of Opposition'

SK1605140996 Pyongyang KCNA in English 0827 GMT 16 May 96

[FBIS Transcribed Text] Pyongyang, May 16 (KCNA) — Opposition parties are strongly resisting the maneuverings of the "New Korea Party" to bludgeon lawmakers-elect from opposition parties into it in a bid to have a majority in the "National Assembly", according to a radio report from Seoul.

The spokesman for the Democratic Party in a commentary dated May 13 said that the defection of the lawmakers-elect to the "New Korea Party" from his party shows it is true that the ruling party is working to destroy the Democratic Party. The Democratic Party will bitterly denounce the immoral act of the ruling party, he added.

The spokesmen for the "National Congress for New Politics" and the "United Liberal Democrats" in commentaries called for an immediate halt to bludgeoning lawmakers-elect from opposition parties into the "New Korea Party", and denounced the act of the "NKP" as an anti-democratic political fraud.

Kim Chong-pil of the "United Liberal Democrats" at a meeting held in Seoul on May 13 reiterated that he would make every possible effort to check the destruction of the opposition by the ruling party and that his party would not respond to a dialogue with the "NKP" for the holding of a plenary meeting of the "National Assembly".

DPRK Daily Denounces Japan's 1996 'Blue Book on Diplomacy'

SK1705031396 Pyongyang KCNA in English 0305 GMT 17 May 96

["Impudent Interference in Other's Internal Affairs" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 17 (KCNA) — Japan in a "Blue Book on Diplomacy" of 1996 referred to the necessity of "opening" of the Democratic People's Republic of Korea and of "improvement of inter-Korean relations" and, to this end, it would "closely cooperate" with the United States and South Korea.

Branding this as an impudent interference in the internal affairs of the DPRK and a plot to impair the image of the DPRK and its socialism, NODONG SINMUN today says:

It is certain that makers of the document are those who are fond of interfering in the internal affairs of others or those who are accustomed to acting self-opinionatedly for their own benefits, refusing to understand things of other people.

We have nothing particular we have not opened and we have nothing to open.

The issue of inter-Korean relations is an internal affair of ours. Many people of the world know about this. Under this condition, why is Japan making a hue and cry about such an issue?

We will do our things with our own faith.

The Koreans are a dignified people who regard independence as their life and soul and do not allow the sovereignty of their country to be violated even slightly.

Japan must bear it in mind that if it continue to interfere in the internal affairs of Korea, it will face a severe punishment for this.

It is high time that Japan discarded its hostile policy toward Korea and took an independent stand.

DPRK Peace Institute Official Comments on Food Shortage

OW1605142996 Tokyo MAINICHI SHIMBUN in Japanese 16 May 96 Morning Edition p 3

[By Takuro Kawaide]

[FBIS Translated Text] Pyongyang, 15 May — Yi Myong-pong, vice director of the Disarmament and Peace Institute under the direct jurisdiction of the DPRK's Foreign Affairs Ministry, met with Japanese reporters, including those from MAINICHI SHIMBUN, on 15 May. Regarding the worsening food shortage in this communist state, Yi said: "It is a temporary problem that can be solved." In his view the food shortage will not lead to a crisis that shakes the nation's political foundations. This is the first time that a senior official of this institute has agreed to hold an official press conference with Japanese reporters.

DPRK Paper Lauds Kim Chong-il Work on Art, Literature

SK1705132196 Pyongyang KCNA in English 0837 GMT 17 May 96

["Highly Important Guideline for Developing Chuche-Based Literature and Art" — KCNA headline]

[FBIS Transcribed Text] Pyongyang, May 17 (KCNA) — Today is the 10th anniversary of the publication of "Let Us Effect a New Upsurge in Producing Works of Revolutionary Art and Literature", a famous work of the Great Leader Comrade Kim Chong-il (May 17, 1986).

In this connection, NODONG SINMUN today carries an article titled "Highly Important Guideline Which Indicates the Road of Developing Chuche-based Literature and Art" by Kim Myong-nam, first vice-minister of culture and art.

The author of the article says that the work of Comrade Kim Chong-il is a highly important guideline which gave comprehensive answers to theoretical and practical matters arising in further developing literature and art in keeping with the aspirations of the Korean people and with the requirements of the Korean revolution which has entered a new higher stage of development.

The author continues:

The past 10 years after the publication of the work was a decade of victory and glory when a new upsurge has been effected in the creation of revolutionary literary and art works.

Under the wise guidance of the party, there have been created in Korea a large number of literary and art pieces based on diversified themes in line with the requirements of the times and aspirations and demands of the people, thus making a great contribution to the cause of modelling the whole of society on the chuche idea.

The level of development of our chuche-based literature and art is well illustrated by the creation of "The Nation and Destiny", a multi-part feature film which embodies the respected General Kim Chong-il's outlook on the world, aesthetics and life, the epic "Comrade Kim Il-song, Our Eternal Leader" and songs "The Leader Is Always With Us" and "Let Us Hold High the Red Flag" based on the general's profound philosophy on the immortality of the leader and many other masterpieces.

Literary works on the glorious and brilliant revolutionary history of Comrade Kim Chong-il, his enduring leadership exploits and noble virtues show that our literature on the portrayal of the leader has been developed onto a new higher stage.

Full-length novels "Intelligence," "Blue Sky", "Through War Flame" and "Along East Coast" out of the cycle of novels "Immortal Guidance" are very popular among our people for their impressive portrayal of the greatness of the respected General Kim Chong-il, a peerlessly great man.

The article deals with the achievements in the creation of literary and art works such as literary pieces, films, music, dramas and fine arts based on diversified themes about the revolutionary traditions, patriotism, national pride and relations between the army and the people.

These achievements clearly demonstrate the validity and vitality of the idea and theory laid down in the work, the article stresses.

DPRK: 'Revolutionary Faith,' Spirit of Korean People Lauded

SK1605140896 Pyongyang KCNA in English 0818 GMT 16 May 96

[FBIS Transcribed Text] Pyongyang, May 16 (KCNA) — The Korean people are a heroic people who are vigorously advancing along the socialist line with their revolutionary faith and indomitable fighting spirit.

It is thanks to this spirit in which all the people are singleheartedly united around the Workers' Party of Korea and the leader that socialism of Korea is now victoriously breaking through any storm.

The revolutionary faith and will of the people is the conviction that the socialist cause is sure to win as long as it is guided by the great leader and the strong revolutionary spirit of struggling through any hardship to realise his plan and intention.

The joint editorial, which was published by the organs of the party, the army and the youth league on the new year 1996, characterized 1995 as a year of faith and will when the socialist banner fluttered high, and put forward the militant tasks to make this year a year of revolutionary turn in achieving a great victory with the idea of the red flag.

The red flag is a symbol of the Korean people's faith and will.

All the Korean people are now firmly cementing the political and ideological position, the economic position and the military position, three positions of socialism, holding high the red flag of revolution.

It is the invariable will of the Korean people to defend the Great Leader Comrade Kim Chong-il politically and ideologically with their own lives, absolutely believe him only and advance along the road of revolution.

The working people in all fields of the national economy are making all their efforts to improve the people's standard of living and consolidate the foundation of the self-supporting economy by carrying out the agriculture-first policy, light industry-first policy and foreign trade-first policy.

All the officers and men of the Korean People's Army and members of the Worker-Peasant Red Guards and the Young Red Guards are registering big success in the responsible work for defending socialism.

DPRK: Editorial on 50th Anniversary of Land Reform Law

962C0067A Pyongyang NODONG SINMUN in Korean 5 Mar 96 p 1

[Editorial: "Let Us Continue To Add Luster to the Achievements Accumulated by the Great Leader Comrade Kim Il-song in the Cause of Socialist Rural Construction"]

[FBIS Translated Text] Today is a momentous day marking the 50th anniversary of the proclamation of the historic Land Reform Law by the great leader Comrade Kim Il-song.

On this occasion, all our people and agricultural workers are filled to overflowing with the seething gratitude and profound longing for the great leader Comrade Kim Il-song, who early on not only led the land revolution sagaciously to brilliantly realize the long-cherished desire of our peasantry but also established the most advanced, chuche-based socialist rural economic system and devoted all his life to its strengthening and development.

The fact that the great leader Comrade Kim Il-song gave the question of land a brilliant solution under the banner of the chuche ideology is a great historic achievement.

The great leader [yongdoja] Comrade Kim Chong-il pointed out:

"In our country, under the sagacious leadership of the party and the leader, land reform was carried out in conformity with the century-old desire of the peasantry for becoming the masters of their land. And the postwar socialist revolution, too, was carried out thoroughly on the principle of voluntarism reflecting their wishes, following the creative line of putting socialist reform of economic system ahead of technological change."

To correctly solve the question of land is of extremely important significance in fundamentally changing the social and economic status of the peasantry, developing agricultural productivity, and thus in achieving the nation's prosperity and development and the complete victory of socialism. Without solving it correctly, it is impossible to ensure prosperity for our posterity, or to build socialism centering on the masses that is firmest and has the greatest vitality.

That question was solved brilliantly in our country by the great leader Comrade Kim Il-song.

The preparation of the Land Reform Law, its proclamation by the great leader Comrade Kim Il-song in person on this day 50 years ago, 5 March 1946, and its successful implementation were all epoch-making events that basically changed the status of the peasantry in our country. They were historic events of great significance in the agricultural development of our country and the revolutionary struggle of our people. The successful land reform ended the feudal land ownership in our country once and for all, making the peasants' century-old wishes come true and enabling them to own their land and do their farming on their own land to their heart's content, and paving the way for the rapid development of the rural economy and for the building of a powerful self-supporting national economy.

Today, our party's rural position is firm and solid; the worker-farmer alliance is growing stronger daily. Our country is radiating brilliance as a great, mighty socialist state with a developed, rural economy and a self-reliant industry. All this would be unthinkable apart from the successful land reform, which is a historic event. We will forever remember the great, benevolent solicitude and the immortal achievements of the great leader who, early on in the period of the anti-Japanese revolution, had laid the cornerstone deeply and firmly for the solution of the land and agrarian questions and, based on it, carried out the successful land reform following liberation, and who thus made our farmers the eternal masters of their land and country and opened up an infinitely bright future for the nation's socialist rural construction.

Fifty years have elapsed since the land reform in our country. The years represent a proud course in which the ideological and mental features of our farmers have fundamentally changed, with watershed changes in the socialist rural construction. All the successes and achievements in the solution of the peasantry and agricultural questions, as we see today, were the precious fruition of the great leader's tested leadership.

Most brilliant of all the immortal achievements of the great leader Comrade Kim Il-song, who led the socialist rural construction on one road, the road of victory, is the fact that he gave full elucidations to all the theoretical and practical problems to make it possible to finally solve the socialist agrarian question.

Through his unremitting ideological and theoretical activity in the whole period of his leadership for the revolution and construction, the respected and beloved leader, who early on had founded the great chuche ideology as the guiding ideology of the age, gave perfect enunciations to all ideological and practical issues over the peasantry and other agricultural questions. The elucidations covered all tasks in the socialist rural construction, as seen in the creative theory of the Chongsan-ri spirit and the Chongsan-ri method, the theory of revolutionizing peasants and giving them the working-class nature, the theory of giving priority to socialist reform of the economic system over technological change, the theory of vigorously waging the three revolutions—ideological, technical, and cultural—in the countryside, the theory of gradually converting cooperative ownership to all-people ownership, the theory of urban areas supporting rural areas and industry aiding agriculture, and the theory of leading the rural economy by industrial methods. Especially, it is an outstanding achievement that the respected and beloved leader put out the great Thesis on the Socialist Agrarian Question for use as a theoretical and practical weapon for an ultimate solution to the peasantry and other agricultural questions. Through his energetic, ideological and theoretical activity, and with his rich practical experience, the great leader clearly illuminated the future path of socialist rural construction; his historic achievements will shine forever, together with the inexhaustible vitality of the chuche ideology.

The great leader Comrade Kim Il-song, while leading the cause of socialist rural construction to brilliant victory day after day, led the nation to experience a fundamental turnaround in the development of its rural economy.

The countryside of our nation had been a far cry from modern civilization. Tools were shabby and peasants had to shed tears of blood doing backbreaking labor. The peasants had a miserable plight. But it has all changed today, thanks to watershed transformations. The working people in rural areas, with their burning loyalty to the party and the revolution engraved on their hearts, are now in an all-out struggle for the prosperity of the fatherland and the consolidation and development of the socialist, rural, economic system. They are leading a harmonious life, helping and leading one another. The material and technical levels of the rural economy have vastly improved; irrigation networks and electrification projects have been completed, and mechanization and chemicalization programs are under way in advanced phases. All these epoch-making changes in the development of the rural economy are the results of the sagacious leadership of the party and the leader.

It was thanks to the sagacious leadership of the great leader that our people, following the successful enforcement of the land reform, could complete victoriously—in the short period of four to five years—the historic cause of agricultural cooperativization, a cause which other peoples worked toward for decades and still could not complete. It was also thanks to the energetic leadership of the respected and beloved leader that our people could wage the three revolutions—ideological, technological, and cultural—vigorously in the countryside and strengthen boundlessly the party's socialist rural position politico-ideologically, materially, and technologically. It is thanks to the great leader that our people are now filled with pride and endlessly enjoying their happiness under the most superior and developed rural economic system. Forever and ever, they will continue to cherish and extol the immortal achievements of the respected and beloved leader who built the most superior, socialist, rural, economic system in this land and laid all the foundations for the ultimate solution of the agrarian question.

The great leader Comrade Kim Il-song, bearing on his shoulders the destiny of the fatherland and the people, led the cause of socialist, rural construction day after day, sparing no pains, and denying himself a day's or even a moment's rest. Everywhere farmers live, from the shores of the Tumen River, the northern end of our fatherland, down to the Yonbaek Plain adjacent to the demarcation line, there are no places which are not covered by traces of the great leadership of the great leader. It is none other than the great leader who, in winter, walked snow-covered footpaths between farm fields thinking about preparations for the next year's farming, and who, in spring and summer, frequently went out on rainy nights walking and thinking about ways and means to bring about a bumper autumn harvest, refusing to take the rest which he needed. The respected and beloved leader walked, and walked more with no rest, for our people and peasants, and for the strengthening and development of the rural economy; it was in the course of such energetic on-the-spot guidance that the great chuche farming method was born, the Chongsan-ri spirit and method was created, and that a new chapter was opened in the history of socialist, rural construction signaling conversion of cooperative ownership to all-people ownership.

The long history of the communist movement knows of no other leader who attached as great a significance to the questions of the peasantry and agriculture and solved them as brilliantly without the slightest bias, steadfastly over so long a period of time, from the beginning of his revolutionary career, as the Respected and Beloved Leader did. Nor does it know of a leader who thought about the nation's agricultural development and the people's livelihood so deeply—until the moment his heart stopped beating—as the respected and beloved leader did.

Today, the hearts of all our people and agricultural workers celebrating the 50th anniversary of the proclamation of the Land Reform Law are invariably filled to overflowing with the admiration and gratitude for the fatherly leader, who established the most advanced socialist rural economic system on this land, who gave them the happy and affluent life. Determined to revere and uphold him forever and ever, they seethe with unswerving loyalty. The achievements the great leader Comrade Kim Il-song accumulated in the socialist rural construction, with the people and for the people and always thinking of the fatherland and the people, will shine forever, together with our country, our fatherland, that keeps prospering, strengthening, and developing.

Our people and agricultural workers today are faced with the challenging tasks to hold aloft the will of the great leader Comrade Kim Il-song and unite closely around the party, and thereby to accelerate socialist construction and generate new upsurges in agricultural production.

We should carry on a dynamic struggle to consolidate and further develop victories and successes achieved in the realm of agricultural production and socialist, rural construction. It is a struggle to resolutely defend, preserve, and add luster forever to, the immortal achievements accumulated by the great leader Comrade Kim Il-song in the solution of the agrarian question. It is a worthy struggle to make the people's livelihood more affluent, and to expedite the complete victory of socialism.

We must, above all, hold steadfast, and keep adding luster, to the chuche-based, socialist, rural, economic system which the great leader Comrade Kim Il-song established, strengthened, and developed by devoting all his life to it.

The socialist, rural, economic system is the most precious of gains made by our revolution. We owe the boundlessly worthy, socialist life of our people, as well as the invincibility of our way of socialism that is marching on triumphantly, to our great rural economic system that suits the aspirations and desire of the masses and the inherent nature of the socialist society.

Through the miseries to which people and farmers are subjected in countries where socialism gave way to the revival of capitalism, our people keenly feel, with all their hearts, how superior our socialist, rural, economic system is and are firmly resolved to staunchly defend it with their lives.

All the people and agricultural workers should not forget even a moment how hard the fatherly leader worked to build the chuche-based, socialist, rural, economic system as we see it today; they should devote everything they have to the struggle to defend, preserve, and add luster to it. Holding on to the immortal achievements accumulated by the great leader in the development of the socialist, rural economy, as our lifeline, we should carry on the socialist, rural construction only in the way the fatherly leader taught us to in his lifetime, today, tomorrow, and forever. Agricultural enterprises and cooperative farms should continue to thoroughly embody the great Chongsan-ri spirit and the Chongsan-ri method founded by the respected and beloved leader, meet the requirements of the Taean work system in the management of enterprises, and do everything in their farming only by the chuche farming method.

To continue to uphold the leadership [yongdo] of the respected and beloved Commander-in-Chief Kim Chong-il with loyalty constitutes a decisive guarantee for bringing the great leader's concept of socialist rural construction into efflorescence, and for generating new upsurges in agricultural production.

Today, the great leader [yongdoja] Comrade Kim Chong-il is sagaciously leading our struggle to accelerate socialist construction and develop the nation's rural economy onto a higher stage, upholding the teachings left by the fatherly leader.

It is the indefatigable resolution of the respected and beloved Comrade Kim Chong-il to adhere to the "Thesis on the Socialist Agrarian Question" put out by the great leader, unswervingly under any circumstances, and carry it through to the end and, by doing so, to establish on this land a society representing the complete victory of socialism.

In the energetic leadership [yongdo] of the respected and beloved Comrade Kim Chong-il today, our people and agricultural workers foresee confidently the proud day of victory when the fatherly leader's far-reaching plan of socialist rural construction has become a brilliant reality.

The leadership [yongdo] of the respected and beloved Comrade Kim Chong-il is, in itself, the leadership of the fatherly leader; when we go forward under the leadership of the respected and beloved Commander in Chief [changgun-nim], we have nothing to fear and nothing that we cannot do.

All our people and agricultural workers should devote everything they have to the struggle for the full efflorescence of our party's socialist, rural construction plan, with the conviction of sure victory—'we always win as long as we have the great Comrade Kim Chong-il with us'—carved on their hearts. United closely around the great leader [yongdoja] Comrade Kim Chong-il, we should, with the power of that wholehearted unity, further solidity our rural position like bedrock politico-ideologically, materially, and technologically, and fully demonstrate the superiority and invincible vitality of our socialist, rural, economic system.

To carry through to the end the "Thesis on the Socialist Agrarian Question" under the banner of the three revolutions—ideological, technological, and cultural—is the consistent policy of our party. Precisely therein lies a firm guarantee for the ultimate solution of the agrarian question.

We must further intensify the three revolutions in the rural areas in keeping with the requirements of the socialist, rural construction which is now in a higher new phase.

Holding steadfastly to the ideological revolution policy of the party, we must step up the ideological work among the agricultural workers and, by doing so, revolutionize them and give them the working-class nature, converting them to socialism and to the chuche ideology. At the same time, to meet the requirement for turning the whole society into an intellectual society, we must ceaselessly improve the agricultural workers' technological and cultural levels, further consolidating and developing the results of the rural, technological revolution. By consolidating and developing the results already achieved in the socialist, rural construction, we must gradually expand the scope of the work of converting cooperative ownership to all-people ownership as we gain experience.

To increase agricultural production decisively is the most important task confronting us in the present period. It is the requirement that needs to be met to carry through thoroughly the revolutionary economic strategy set forth by the party.

We must uphold the agriculture-first policy of the party and intensify our struggle for its implementation. All agricultural functionaries and workers should display a high sense of responsibility and revolutionary spirit in the struggle for increases in agricultural production, with the deep awareness that they are responsible for the nation's rice jar. All agricultural enterprises and cooperative farms will overcome bottlenecks and barriers in their way in the "Arduous March" spirit, with the extraordinary determination and resolution that they will resolve any problems with their own strength even if the higher echelons do not supply the necessities although it would be better if the higher echelons do supply them. They should achieve the party-set grain production target for this year without fail. More immediately, functionaries and the working people in the agricultural branch should hasten and complete quickly preparations for this year's farming, and briskly finish the spring sowing in a jiffy in accordance with the requirements of the chuche farming method, so as to ensure a bumper crop for the year. At the same time, they should mount a more vigorous struggle to strengthen the party-wide, nation-wide support for agriculture, giving it substantive aid in all areas.

Half a century has elapsed since the great leader Comrade Kim Il-song proclaimed the historic Land Reform Law. The revolution has been succeeded by new generations; today, younger generations born after the land reform constitute the main force in our socialist rural areas today. Functionaries and the working people in the agricultural branch should highly display their patriotic fervor and creative positiveness for new upsurges in agricultural production, as their predecessors did. The predecessors, so deeply gratified by the benevolence of the party and the leader who gave them land and a happy life, devoted all their wisdom and passion to producing as much grain as possible.

On the occasion of the 50th anniversary of the proclamation of the historic Land Reform Law, party organizations in the rural economic sector will launch vigorous ideological indoctrination work among the agricultural workers to bring them to respond to the benevolence of the party with marked gains in grain production. Party organizations in rural areas will strengthen the party-based leadership to ensure that agricultural functionaries and workers conduct all the farming processes in accordance with the requirements of the chuche farming method.

Let us all mount a dynamic struggle to add luster to this momentous year, the year marking the 50th anniversary of the proclamation of the Land Reform Law, with a bumper harvest of all crops, holding aloft the red flag of the revolution.

South Korea

ROK: 7 Armed DPRK Soldiers 'Briefly' Enter DMZ

OW1705144796 Tokyo KYODO in English
1438 GMT 17 May 96

[FBIS Transcribed Text] Seoul, May 17 KYODO — Seven armed North Korean soldiers on Friday [17 May] briefly entered the demilitarized zone separating the two Koreas, but retreated after South Korean guards fired warning shots, the South Korean Defense Ministry said.

The incursion came in defiance of the armistice agreement that ended the 1950-1953 Korean war, under which no weapons heavier than side arms and no shots are allowed within the buffer zone.

The latest incursion came after North Korea announced it would no longer abide by rules on the buffer zone under the armistice agreement and sent troops armed with machine guns into the buffer zone for three straight nights in early April.

After the April incursions, U.S. President Bill Clinton and South Korean President Kim Yong-sam proposed that their countries meet with North Korea and China to discuss permanent peace on the Korean peninsula.

North Korea has said it is considering the proposal.

ROK: DPRK Soldiers Reportedly Cross MDL Twice 17 May

SK1705152396 Seoul KBS-1 Radio Network
in Korean 1500 GMT 17 May 96

[FBIS Translated Text] Seven armed North Korean soldiers passed over the Military Demarcation Line [MDL] into the south side of the DMZ, stayed there for about one hour, and returned after warning shots were fired by our forces.

At around 1216 [0316 GMT] on 17 May, at the central front in Yonchon County, Kyonggi Province, seven armed North Korean soldiers came 20-30 meters inside the South side of the MDL. Our forces immediately fired warning shots, but the North Korean soldiers stayed there for about one hour and returned to the North at around 1312 [0412 GMT].

Prior to this, at around 0944 [0044 GMT], at a spot 200 meters north of the MDL in Yonchon County, Kyonggi Province, three North Korean soldiers who were not wearing arm bands appeared and fired four rounds of shots. After shooting, they moved to the right side about 300 meters and fired one rifle round into the air.

On 11 April after the general elections, North Korean soldiers intruded into the MDL.

ROK: Warning Shots Fired at Prowling DPRK Soldiers

OW1705143296 Hong Kong AFP in English
1422 GMT 17 May 96

[FBIS Transcribed Text] Seoul, May 17 (AFP) — South Korean troops fired warning shots Friday [17 May] to force five North Korean soldiers back to their own side of the demilitarized zone dividing their hostile nations, a UN joint command spokesman said.

The North Koreans reportedly fired shots before they were seen, but no casualties were reported, said the UN spokesman, Jim Coles.

The incident happened around noon (0300 GMT) in the northeast sector of the tense zone, which has separated the Korean peninsula since the end of the Korean war in 1953, said Coles.

He said reports from the line indicated South Korean border guards first heard four rifle shots and then a short time later a single shot.

The North Koreans were said to have crossed 20 metres (yards) south of the midpoint in the zone before turning back after the warning shots were fired.

Coles said the incident appeared "not to be serious" as the mid-point demarcation line was not clearly marked and troops often wandered from one side to the other.

ROK: Reports on DMZ Incursions Not 'Exaggerated'

SK1705142596 Seoul KBS-1 Radio Network
in Korean 1300 GMT 17 May 96

[FBIS Translated Text] In an interview with a certain monthly, Jim Coles, spokesman for the UN Forces Command, claimed that among the ROK Government's statements and announcements issued right before the general elections, included therein were parts that added unnecessary speculation that was far from true. In this regard, the Defense Ministry has revealed that there was no exaggeration of the facts.

Spokesman Coles said that certain things were exaggerated such as the incursions by North Korea soldiers into the Joint Security Area on 6 and 7 April in which the ROK side reported that 260 soldiers entered this area, while in fact there were only 180 soldiers.

In this connection, regarding the remark by the spokesman for the U.S. Forces in the ROK [title as heard] that the Defense Ministry exaggerated the Panmunjom incident, the Defense Ministry has clarified that the remark by the spokesman does not represent the position of the U.S. Forces in the ROK, and that there can be differences in the standards used in assessing the incident between the U.S. Forces and the ROK Defense Ministry. In addition, the Defense Ministry also reiterated that the facts were by no means exaggerated.

ROK-U.S.-DPRK Contact Over 4-Way Talks Issue Viewed

SK1705030796 Seoul SEOUL SINMUN in Korean
16 May 96 p 5

[Article by reporter Yi To-yon: "Background and Prospects for the ROK-U.S. Proposal on the Joint Explanatory Meeting on Four-Way Talks"]

[FBIS Summary] The proposal for holding a "joint explanatory meeting on the four-way talks" put forward by the ROK and the United States is a "desperate measure" to induce North Korea to accept the proposal for four-way talks under the situation where North Korea "has yet to give a clear answer" to the proposal for four-way talks which was made one month ago. On every occasion following the proposal, North Korea has expressed its "position of trying to exclude the ROK," specifying four-way-talks as "a proposal put forward by the United States" and demanding "a detailed explanation of four-way talks by the United States." Regarding this, the United States has adhered to the position that "it is impossible to hold discussions on issues of the Korean peninsula without the ROK."

However, the United States reportedly assessed North Korea's 7 May statement that it "will wait until the United States gives a detailed explanation on the four-way talks" as a "promising reaction" by North Korea and stressed the need to "actively respond to it" during the 13 May ROK-U.S. high-level policy meeting. The ROK responded by pointing out that "it would run counter to the basic spirit of the four-way talks proposal to hold an explanatory meeting with the United States alone."

Many people within the ROK Government doubt that North Korea will accede to the joint explanatory meeting. Some question why the ROK is pursuing DPRK participation in an explanatory meeting that preceeds preliminary meetings for four-way talks instead of insisting on preliminary meetings for the four-way talks. Others point to "the possibility that even if North Korea accepts the proposal for the explanatory meeting, the meeting may deteriorate into a distorted tripartite meeting where 'North Korea and the United States discuss the issue of establishing a peace mechanism, with the ROK as an observer.'"

A U.S. authority said: "The United States contacted North Korea through a New York channel over the issue concerning the explanatory meeting, but the sides have not exchanged detailed opinions on the issue." Based on the result of a series of 15 May talks between U.S. Assistant Secretary of State Winston Lord and ranking ROK officials, including Foreign Minister Kong No-myong, the ROK and the United States will decide on details concerning the explanatory meeting, such as the date and venue, after holding further working-level talks. They are then to "officially propose" to North Korea through a New York channel, that an explanatory meeting be held "in a few days."

ROK: Former Government Official on DPRK, U.S. Issues

962C0050A Seoul WOLGAN CHOSON in Korean Apr 96 pp 112-121

[WOLGAN CHOSON report on an interview with Yi Tong-pok, former special assistant to the director of the NSPA and spokesman of the ROK side of the North-South talks, currently spokesman of the ULD campaign headquarters: "North Korea Is Virtually Ruled by the Military as Kim Chong-il Has No Alternative — It Is Now in an Irreversible Stage of Disintegration"]

[FBIS Translated Text]

Yi Tong-pok spent 15 months in the United States studying U.S. policy toward the Korean peninsula, at the invitation of the U.S. Institute of International Strategic Issues. He observes that "even in the United States, the curiosity about North Korea has died down." He also says that inasmuch as the United States has no North Korea policy, it is necessary that we set a framework for it and carry on coordination with Washington on that basis.

Declines Offer To Run against Yi Pu-yong

Yi Tong-pok, 59, former special assistant to the director of the National Security Planning Agency [NSPA], returned home on 11 February from a 15-month study at the U.S. Institute of International Strategic Issues. About two weeks later, on 27 February, he became spokesman for the campaign headquarters of the United Liberals and Democrats [ULD].

Two days after that, on the afternoon of 29 February, we interviewed him at a Seoul coffee shop, for nearly four hours on his motive in joining the ULD, recent developments in North Korea, and the U.S. perception of the Korean peninsula. Yi, who in the past served as spokesman for the ROK side in the North-South talks for more than a decade, spoke without notes, showing his characteristic logic on each topic. He used plain language, his posture showing little emotion; his speech seemed a bit slow but, toward the end of a sentence, he was quick to link it to the next sentence. It appeared to be a technique for not being interrupted.

Asked what prompted him to join the ULD, he answered "it was not a planned or prearranged move."

Yi Tong-pok said: "I had my plans when I was coming home after a 15-month stay in the United States. I was weighing offers I had received, one to hold the chair of North Korea study at the graduate schools of a university or two after returning to the Institute of National Unification, and the other to be an emcee for a TV dialogue program on North-South issues. Meanwhile, immediately after my return, the ULD asked me to join them. The proposal at the time was that I take over as spokesman for the ULD campaign organization and, at the same time, run in the legislative election as a rival candidate against Yi Pu-yong from Seoul's Kangdong-A District. About my candidacy, I declined it, in a roundabout way."

[Question] Why did you decline?

[Yi Tong-pok] "I was personally tempted to take the opportunity for a race with Yi Pu-yong and seek the public's judgment. But I felt that there was the possibility of a showdown between the two ending up in a mud-slinging contest, a strife from personal enmity over the old "instructions" issue, rather than producing a conservative versus reformist competition as anticipated by the public.

"Regarding the 'instructions' issue, I had done nothing inappropriate at all; therefore, I was in no position to be hesitant of a debate about it. However, I feared that such confrontation could cause my family great stress. That was the reason why I turned down that part of the offer."

"We Cannot Exist Without Conservatism"

Then, instead of the regional district candidacy, the ULD offered him a slot on its national constituency candidates list, and he accepted it and joined the party. He views his job as spokesman for the ULD campaign headquarters as follows:

[Yi] "Regarding what the Kim Yong-sam civilian government has done in all realms—political, economic, social, security, and reunification—in the past three years, there has been an undercurrent of public anxiety crying out that something should be done to alter the course. With the legislative elections at hand, voters sharing this anxiety are vacillating a great deal over which factions to vote for. My intent is to be a guide and help them make up their minds."

Asked about his impression of the ULD as a member now, Yi Tong-pok says that "of the four parties, the ULD is somewhat ahead of others in that it has its tested statesmanship and philosophy." He views the present four parties as being transitory in nature.

[Yi] "In my view, the four parties are all incomplete political forces, each carrying with it a seed for another round of big change that will take place when the time comes. I see them as groupings seeking to take their positions through the upcoming elections."

Elaborating, Yi describes the four parties as "by-products of a distorted political order that has been forced on the nation by the Kim Yong-sam government." Of such political distortions, he says, the continued mutations and changes of the New Korea Party in particular are causing our society uneasiness. He admits that the ULD also has its structural problems.

[Yi] "The ULD also has its structural problems originating in the fact that it is more or less a faction formed as part of the changing alignment of political parties in the course of their territorial changes, rather than a faction of pure political forces dedicated to a political ideal and line. However, the political line and ideology of ULD President Kim Chong-pil, as well as his idea about the nation's future political course, are what I believe can give the people the greatest sense of stability. Also, the ULD is distinguished from other parties in that it makes decisively clear its conservative color."

As the interview moved on to the topic of "conservatism," Yi Tong-pok dwelled on the functions and role of conservatism in our contemporary national history, in the tone of a professor lecturing on political philosophy.

[Yi] "In our country, conservatism is the root without which it cannot exist. Our country has solidly laid its social foundations through the promotion of liberal democracy and market economy on the framework of anticommunism.

"In other words, the ideological system that has converted the scattered resources of a divided nation into developed, far greater capabilities is, precisely, the nation's conservatism. It is true that the nation came through trials in the process as conservatism led to irregularities, corruption, and obstructions of the development of democratic government, but those are problems dominating only part of conservatism, not the whole of it."

"We Need to Establish Post-Three-Kims Culture"

Yi Tong-pok says that "even those problems dominating part of conservatism have been readjusted—through the process of endless purification, suppression, and improvement—into resources to promote the growth of capabilities of the whole.

From the "glorification of conservatism," Yi moved on to the subject of "continuity of history."

[Yi] "Our past history should not be disrupted but further improved and reformed on the basis of continuity. This, I believe, should be the path for the nation's political course to take to ease the minds of all of our people. We have had some problems at distribution levels; nevertheless, thanks to the participation of all our people in the national cause, we could grow this big. It is a problem that people deny what they have achieved through their participation. What we need is continuity between the past and the future, not discontinuity, and I believe that the ULD is the only political force that can deal with this issue in a sustained manner."

Yi Tong-pok rebutted the ruling camp's argument for an end to the three-Kims era.

[Yi] "The three-Kims-era culture belongs to the 1960's and, as such, it evidently has disparity with the national development culture of the 1990's. However, the three Kims are realities. Since one Kim has become president, there is no way to artificially force the other Kims into retirement instead of giving them an equal opportunity.

"What we need now is not the retirement of the three Kims but the development of a system and device to ensure the transition of the three-Kims culture to the next-era political culture. That is precisely the cabinet system. The problem with the presidential system is that it gives absolute power to one person during his five-year term. We need a system and device to prevent the next president from wielding absolute power. I feel that if the ULD succeeds in further enhancing its stature and capabilities in the legislative elections, it will lead to change in the nation's political system, altering the three-Kims culture and bringing a sense of stability to the people."

[Question] Right after you were designated as spokesman of the ULD campaign organization, the ruling party spokesman proposed that spokesmen of all political parties keep dignity in their behavior.

[Yi] "It was a proposal for an accord on refraining from slandering and vilification between parties and improving the manner of speaking. When a reporter asked me about it at the time, I replied: I had keenly felt in the days of the North-South talks that if an agreement is unlikely to be complied with, it might as well not be made from the beginning because failure to abide by an agreement would cause even graver troubles, bringing false expectations to many, and disillusionment and frustration in the end. Past elections show us that how difficult it is to expect agreements to be honored as should be. The right thing to do, I believe, is for each spokesman to display wisdom and dignity and, by doing so, control his own conduct in fulfilling his duty."

[Question] Having been overseas for more than a year, don't you have any difficulty in grasping the election atmosphere at home?

[Yi] "About a game of *paduk*, the saying goes that if you play it yourself, you can read six steps ahead, but a bystander watching your game can read eight steps ahead. When you are in Washington watching developments in Korea, you sometimes can see them even more clearly."

[Question] What is your view on the imprisonment of the two former presidents and the 18 May [1980 Kwangju incident] issue?

[Yi] "Regarding the issues involving former Presidents Chon Tu-hwan and No Tae-u, we should not discuss them on the assumption that they committed errors. But we should consider the question of how to straighten out the situation that led to the alleged errors. In the background of the alleged corruptive acts and irregularities, there was the practice of the power holders ignoring the legal process and indulging in arbitrariness and self-righteousness. Therefore, to straighten it out, correction should be made within the framework of legality and lawfulness. Otherwise, it is impossible to expect a fundamental correction."

Evils of Climate Ignoring Specialists

Yi Tong-pok, who followed—in Washington—the cases involving the two former presidents, attributes the problems primarily to the peculiar character of President Kim Yong-sam.

[Yi] "Through April last year, President Kim Yong-sam himself had been saying that his preference was for leaving those issues to the judgment of history. He changed his mind, however, from a motive which, in my view, had something to do with Kim Tae-chung, president of the National Congress for New Politics. Kim Tae-chung came out of retirement and returned to politics before the 27 June [1995] local elections in which the ruling party suffered a miserable defeat. President Kim now had to face Kim Tae-chung's challenge all over again. The sword he thus drew was, in my view, the probes of the Kwangju incident issue and the No Tae-u slush fund scandal. Making this deduction possible is the fact that it is not too much to say that President Kim has devoted his political life to his rivalry with—and prevailing over—Kim Tae-chung, in its entirety."

Yi Tong-pok's criticism of President Kim Yong-sam was not too severe. Whenever he referred to the president, he used an honorific, showing an effort on his part to refrain from making any personal attack. But he was ruthlessly critical of the conduct of policy by the civilian government represented by President Kim.

[Yi] "The biggest problem with the Kim Yong-sam government is that it distrusts specialists and technocrats for political reasons. One of the basic reasons for its instability in the past three years was that it assigned specialist groups only to administrative, working-level jobs while, on policy matters, it turned to personages who had nothing to do with those specialists for advice. Currently, the president—who was formerly an opposition leader—is having his five-year term, using the people for his experiment. The problem does not end there. There is the risk of a rehash if another opposition leader with a disposition different from his should become the next president. Our people should stop and ponder these matters seriously.

"Flood Damage Was Exaggerated"

Yi Tong-pok, a North Korea expert, had experienced alienation under the Kim Yong-sam government. On subjects dealing with North Korea issues, his voice grew more emphatic and even louder. He began by pointing out that there are problems with the perception of our government and people about recent developments in North Korea.

[Yi] "The errors we make repetitiously in dealing with North Korea are that we fail to see the forest for the trees, and that we often respond on the basis of our unilateral, wishful thinking only to repeat the same trials and errors."

Saying that the food shortage in North Korea is nothing new, he stressed the need for correct analyses of intelligence.

[Yi] "For five years now, I have been saying that North Korea is having serious food shortages. But many who visited Pyongyang and were treated to a guided tour would say after coming home that they saw no signs of such shortages in the North, charging that people talking about a North Korean food crisis are given to denigrating the North using the 'conservative' logic"

[Question] Do you mean to say that the food shortage in the North has nothing to do with the floods last year?

[Yi] "It is possible that the floods partially worsened the situation. North Korea's inner-circle strategists perhaps mapped out plans to use the floods as a pretext to collect as much free food as possible from the outside world. As part of that mischief, they invited delegations of international aid organizations such as the UN Food and Agriculture Organization and the World Food Program, taking them mainly to areas where damage was particularly heavy. Incidently, it is in the nature of international aid organizations that they will go anywhere to find work for themselves. For them, North Korea is an attractive place. Inasmuch as it opened the door to them for the first time, they made a positive effort to gain a footing there. In my view, the exaggerated flood damage reports to the outside world were the result of that effort."

Yi Tong-pok says that there are problems with the perception of our journalists about the increasing number of North Korean defectors, including Kim Chong-il's first wife, Song Hye-rim, and her family who fled to the West.

[Yi] "The current defections drama mostly involves those who were in the core of power or were parasites on it, but not the masses of people. This means that the political framework of repression and the system of watch and control against the masses are still alive. There is another reason for the defections of privileged-class people. The life was just as difficult in North Korea when Kim Il-song was alive.

"But they could endure difficulties and live in peace thanks to their confidence in, and expectations of, Kim Il-song. With Kim Il-song dead and his charisma gone, what Kim Chong-il can do to fill the vacuum is a far cry indeed, causing some to feel uneasy and vacillate."

"Collapse Is Inevitable"

Yi Tong-pok cites the case of East Germany's collapse to make his point about the North Korean defectors.

[Yi] "In 1961 alone, the year the Berlin Wall came up, 206,000 East Germans fled to West Germany. And after the Wall came up in 1961 through immediately before the 1989 massive exodus, 700,000 escaped to West Germany. The numbers should reach at least these levels before we can make some serious discussions about the defection issue."

[Question] The defection of Song Hye-rim and her family to the West, on which WOLGAN CHOSON published a scoop, involves the first wife of North Korea's supreme ruler. It, therefore, is different from ordinary cases, we think.

[Yi] My view is a bit different. The case of Song Hye-rim and her family is, in fact, best fitted for a scoop. But those people have nothing to do with the destiny of North Korea. She is, so to speak, a woman who once occupied a special position of "crown princess" in a dynastic culture, and who left her home after a quarrel with the husband's mistress. The case took on a dramatic aspect when her nephew—who had come to the South earlier for a variety of reasons—dramatized it from a sort of ulterior motive to improve his living conditions. From this point of view, I think that it is a case that could impact on the destiny of our country depending on how we treat it, rather than on the destiny of North Korea."

Yi Tong-pok says that seen in the light of the history of communism's collapse, North Korea's collapse is inevitable. According to his scenario, the collapse of the regime comes first, followed by that of the communist system, than the state-level collapse.

[Yi] "The collapse of a system is usually followed by a revolt of the masses; in North Korea's case, however, the masses do not have the necessary and sufficient conditions for it as yet. In my view, what can occur in the North is the collapse of the regime and a shift of power."

Yi Tong-pok criticizes the practice of infusing our wishful thinking into our perception concerning recent North Korean developments such as the food shortage and the increasing defections. But in regard to North Korea's future, he concludes that it is "already in an irreversible phase."

[Yi] "North Korea is supported by a triple economic system—the people's economy, the military economy, and the underground economy. The state-run people's economy, bankrupt for years now, exists in name only today. You can see it in the North Korean state budget, which has shown virtually no change in the past five years. It is an impossible thing, only meaning that the people's economy is left unattended. In addition, the military economy is also sluggish. What is left is the cash the party gets foreign entrepreneurs to contribute, using a special economic zone yet to be established as a lure."

Yi Tong-pok says that "the only thing left for North Korea now is a vague hope for change in the world situation or the situation in South Korea and the chance of economic recovery it might bring."

[Yi] "For instance, it could be wishing that communists might return to power in Russia and bring on chances of cooperation with it. But that is about all it could do. For now, it has no alternative but to live on from day to day by operating control systems and oppressing the people.

"Only Alternative Is for North Korea to Change by Itself"

[Question] Over North Korea's inevitable collapse, there have been debates lately on the need for inducing a soft landing.

[Yi] "We have no definition of what that phrase means in this case. What do we have to do for a soft landing? I do not know whether it means to help Kim Chong-il and promote the stability of his regime, or to launch a process to replace the Kim Chong-il regime with another one by a nonviolent method."

Yi Tong-pok raised questions as to how we should act specifically to help North Korea make a soft landing. He expressed skepticism as to the possibility of inducing the North to change through economic aid as suggested by some in our society.

[Yi] "The rice we shipped in aid to the North was 150,000 tons, worth 200 billion won or $200 million. Even at the international market rate, it was worth $50 million. North Korea says that its shortage in food is 2 million tons a year on average, which is worth 3 trillion won. Suppose we give it whatever is needed to make up the shortage. I doubt that it would bring any change to the North Korean policy and line. To wish for the sunshine to reach into North Korea and cause it to take its coat off is a fantasy, a wishful thinking not backed up by facts."

[Question] Then, what alternatives are there?

[Yi] "North Korea has to change by itself. That means North Korea changing the distribution of resources it has—that is, reinvesting in the people's economy significant portions of the resources currently being spent to maintain the North-South confrontation, including the military, as well as the resources being spent to maintain the regime, including the expenditure for the management of the chuche ideology. It is the only alternative North Korea has for a breakthrough in the present crisis, although it is not enough to revive the North Korean economy."

This is the only alternative there is, Yi Tong-pok says. However, he adds, he thinks it is unfeasible for the Kim Chong-il regime.

[Yi] "For Kim Chong-il, altering the Kim Il-song line means to deny the logic of the regime justifying the hereditary succession of power. Kim Chong-il is under fundamental restriction against it. The fact that he has not yet assumed office as president of the state and general secretary of the party means that he is trying to avoid the responsibilities that come with the two posts. He is seeking to prolong the life of the regime through the "rule by the Kim Il-song teachings," leaving the responsibilities to be borne by his dead father for the time being."

Yi Tong-pok notes that Kim Chong-il's evasive attitude worries the North Korean military most.

[Yi] "Currently, the military keeps things going in North Korea with the help of party functionaries and technocrats. Managerial forces led by the military feel that if they stabilizes Kim Chong-il's political power, it would leave no way to resolve the rigidity problem of the regime. The fact that North Korea is domestically unable to bend when it should bend is causing tension to accumulate. And when the accumulation rises beyond the tolerance of the North Korean system, the Kim Chong-il regime is bound to collapse. In my view, the day is not far off."

Yi Tong-pok says that at this point in time the concept of reunification by absorption should also change.

[Yi] "What we call reunification by absorption should be a natural development coming after the collapse of North Korea, and it should be carried out by the wish of North Korea. What we should do to that end is self-evident — build up our national strength substantially to be ready to fully meet all the requirements involved. I would call it a "reunification that comes in due course." If we should attempt to push for a "reunification that is forced," it would give rise to a variety of side effects beyond our control."

"Readjustments Needed To Prepare for Reunification"

Asked how we should prepare for reunification, Yi Tong-pok says that "our preparations are exceedingly inadequate."

[Yi] "With reunification drawing closer, we need a framework to accommodate it. We don't have one now, however. Suppose North Korea has collapsed now, then what do we have in our Constitution providing for our responses? Granting that we and the North agreed to establish a federation, what constitutional provisions do we have to back up our efforts to cope with the situation? Compared with Germany's case, our difficulty is that in our case the research has to take up a greater number of scenarios. This is an issue more urgent than the National Security Law. This is no time to be wrangling over the National Security Law, a minor side issue, while ignoring the key issue."

[Question] What is your opinion about arguments that the masses of people in the North should be distinguished from the regime, and that those repressing their human rights should be given warning continuously?

[Yi] "Human rights is a matter we should and can take up readily at any time as a universal value of mankind. No matter how reunification is achieved, there will be no sanctuary for those currently in power in the North Korean regime. In fact, we should consider the North Korean masses first when discussing the reunification; however, our government, the opposition, and *chaeya* [reformist] forces have been weighing the reunification issue with the focus on the Kim Il-song regime. It is still understandable that the government, in the current state of division, considers the relationship issue with Pyongyang's ruling force in mind; however, the logic of *chaeya* activists about the reunification issue in the past days were full of contradictions. While calling for reunification led by the masses of people on one hand, they would on the other hand go to Pyongyang to discuss the issue with the communist regime."

Yi Tong-pok was once invited by people close to him to a dialogue program with the Rev. Mun Ik-hwan, a *chaeya* leader, but he turned it down. Regarding the episode, he comments:

[Yi] "At the time, I refused to see the Rev. Mun on the grounds that he was Kim Il-song's man having a dual concept of reunification. My response could have been different if he had gone to Pyongyang to appeal to the North Korean masses for reunification."

[Q] What do you think are the Chinese and Russian positions toward North Korea's imminent collapse?

[Yi] "Russia has its domestic problems and consequently cannot afford to show concerns as much as China does. In case of China, a possible exodus of defectors from North Korea could be a matter of primary concern. Although China does not support the Kim Chong-il regime, its desire is for North Korea to change in an orderly manner as much as possible. However, China, North Korea's ally, is short of intelligence about Pyongyang's inner change. In the past, when we had diplomatic contact with high Chinese officials, we used to ask them about North Korean developments. Their answer was always the same: 'We don't know what is going on there either.'"

[Question] What do you think about the possibility of North Korean provocations?

[Yi] "The days are gone, I think, when such provocations were possible. The military capability alone is not enough to provoke war. Seen from the viewpoint that war means total mobilization of national strength, the possibility of provocation is on the decline. We are fully prepared for all that North Korea can do, including a full-scale, regional, or guerrilla war. The force actually leading the North is the military; generally, the military never launches a losing war when it knows it is doomed to defeat."

"The U.S. Has No North Korea Policy"

[Question] What was the purpose of your stay in the United States?

[Yi] "It was for first-hand information about the way U.S. foreign policy, Asia policy, and policy toward the Korean peninsula are shaped. As a senior researcher of the Institute of International Strategic Issues, I regularly met with experts involved with U.S. foreign policy in various fields, thinking a lot and learning a lot from them for a year and three months."

[Question] What is the U.S. policy toward the Korean peninsula?

[Yi] "Regrettably, the United States has no North Korea policy. Currently, it is dealing with foreign policy issues in this realm in conjunction with domestic policies. In short, the U.S. policy toward the Korean peninsula is entangled. As far as North Korea is concerned, the U.S. policy is blank. It is being worked on by a small number of working-level officials in the State Department, while the CIA and other intelligence organizations take a literally third-party position.

"What is the moral to be drawn from this? It is that we should work out our position on North-South issues, define priorities, and obtain national consensus, and that if we then present the result to the United States, we can build it into U.S. policy."

[Question] North Korea has accelerated its approach to the United States in the past year or two, prompting media reports that they are on a honeymoon now.

[Yi] "That is an exaggeration by the media. Among the Americans now, the interest in North Korea have declined rapidly. North Korea scholars, quite devoted to North Korea for some time, have found out what you might call the true nature of North Korea. In a nutshell, they appear to be disillusioned."

[Question] There are many scholars still devoted to North Korea inside and outside the U.S. Government, are there not?

[Yi] "A typical example is (Cellic Harrison) in the Carnegie Institution of Washington. Another one is (Stephen Clinton) of Columbia University in New York, who arranged for Billy Graham's visit to Pyongyang. They frequently visit Pyongyang, giving it their support. Why? The reason is simple: They want to be involved in North-South relations but the ROK side would pay no attention to them. So, they take the other way around and speak for North Korea.."

Yi Tong-pok adds that "they are now finding their position increasingly untenable."

[Yi] "A typical case is (William Taylor), deputy director of the Institute of International Strategic Issues, who was once close to the North Korean side but has made a complete about-face. He had leaned toward Pyongyang when it showed a gesture to use him as a contact point with Washington, only to part with it when it began shunning him. Personally, we are close friends, and he once told me that 'as a human being, I made a mistake.' People like (Cellic Harrison) will also be disappointed soon."

Pro-North Personalities Making About-Faces in Large Numbers

Yi Tong-pok says that most of the Americans labeled as pro-North by Korean media are not hostile to the ROK.

[Yi] "Basically, Americans at worst take a neutral position between North and South Korea. This does not mean that they take the side of North Korea. For North Korea, meanwhile, there is no such thing as a 'neutral position between North and South Korea.' Consequently, these Americans run against a wall as time goes by."

Yi Tong-pok speaks of a verbal war he experienced with Kim Pyong-hong, deputy director of the North Korean Institute of Disarmament and Peace, at a seminar held late last year, to which North Koreans were invited.

According to him, the Carnegie Endowment invited the North Koreans to the event, with the Korea Society paying half of the expenses.

[Yi] "While in the United States, I avoided attending gatherings where North Koreans were present, as much as possible. It was because I disliked the atmosphere turning awkward for no reasons. That day, however, my U.S. friends talked me into attending. I first thought that I would just be there as an observer. However, when I saw Kim Pyong-hong telling a whopping lie, I requested and was given a voice. It was after Kim even denied the fact that we gave North Korea rice last year, and again brought up the condolences issue following the death of Kim Il-song. So, I gave him a piece of my mind.

"I said: We sent rice to the North to help relieve it of the difficulty it was experiencing. The North should at least say a word of thanks. About the condolences issue, I asked him if the North had ever sent a condolence message when any ROK president died in the past. Then, Kim Pyong-hong shouted 'Mr Yi, I thought that over here you were repentant and had reexamined yourself. But you haven't changed at all.'"

The meeting could not go any further, Yi says, adding that the repetition of this type of meeting is the reason why a North Korea fever is fading in the United States. The more North Koreans demonstrate their preoccupation with propaganda and agitation—even in the presence of U.S. experts versed in North Korean affairs—the lower becomes the support for them among the Americans, he says.

[Yi] "A young businessman named James Zumwalt, son of Admiral Zumwalt, former chief of naval operations, once visited the Najin-Sonbong zone. After coming home, he invited North Korean officials involved in his business to the United States. They said that they would come, but broke their promise two days before their scheduled arrival.

"Also, North Korea's Yi Yong-chol recently said that he would come to Washington to hold a briefing on investment in the special economic zone. But he did not show up. TIME magazine once sponsored a visit to North Korea of a group of U.S. entrepreneurs; that time too, North Korea promised a return visit. Again it did not materialize. All these things led to the decline of interest in North Korea among the Americans.

"Because of these factors, I decided that there is nothing in the U.S.-North Korea relationship that should concern us. In the North-South talks in the past, Pyongyang used to behave arbitrarily, making and breaking promise as it pleased. Now it is behaving the same way to the Americans only to find that it gets them nowhere."

ROK Government Willing To 'Tolerate' Private Aid to DPRK

SK1705112296 Seoul YONHAP in English
1038 GMT 17 May 96

[FBIS Transcribed Text] Seoul, May 17 (YONHAP) — The government on Friday decided to tolerate private-level assistance to North Korea if the United States and Japan choose to provide further assistance to famine-threatened North Korea, a government official said.

The official said the two allies are expected to decide whether to give additional aid to North Korea next month based on a report to be produced by the World Food Program (WFP) on the food situation of the North.

The government, he said, made the decision while discussing follow-up steps to be taken in connection with the outcome of the recent high-level policy meeting held among South Korea, the United States and Japan on Cheju-Do.

"The meeting decided to handle the aid issue flexibly in pace with the extent of the response the North may show toward the four-party meeting proposed a while ago by South Korea and the United States," the official said.

Friday's unification and national security policy coordination meeting, chaired by Deputy Prime Minister Kwon O-ki, was attended by foreign minister Kong No-myong, Agency for National Security Planning director Kwon Yong-hae, Chief Chongwadae [presidential offices] Secretary Kim Kwang-il and senior Chongwadae Secretary for Foreign Affairs and National Security Yu Chong-ha.

ROK, DPRK, PRC Economic Scholars Discuss DPRK's Opening

SK1105044496 Seoul CHUNGANG ILBO in Korean 11 May 96 p 2

[By reporter Kim Yong-ho from Shenyang, China; all Chinese names are as transliterated]

[FBIS Translated Text] An international academic conference with the participation of economists from South and North Korea and the PRC, took place at Liaoning University in the city of Shenyang on 9-10 May. This is the first time that leading economic scholars from South and North Korea participated together in an academic conference.

The conference was held under the title "International Academic Symposium on the Pohai Basin Economy." Chin Yong-kol, vice chairman of the North Korean Association of Social Scientists and the North side's representative, emphasized North Korea's position of pursuing the policy that trade is best, and said: "When I return to Pyongyang, important matters discussed during the conference will be reflected in our policy-making and will be the basis for our new economic development."

North Korean representatives explained that to promote economic cooperation in Northeast Asia they are promoting epoch-making measures such as no-visa entry in the "Tumen River triangular region" centered on the Najin-Sonbong region, and allowing free trade dealings in each province and county. Also, while recognizing differences in the planned and market economies and in the political systems, they emphasized that economic cooperation must be promoted in accordance with each country's own situation. They said that recently a considerable amount of progress was made in South-North economic cooperation in spite of fundamental differences in the economies of South and North Korea and the PRC. They spoke openly and said we must seek common points that can lead to actual cooperation. In addition, they emphasized the need for the construction of friendly relations among Northeast Asian countries to achieve a democratic economic order and economic cooperation. Eleven people including Kim Chun-yop, chief director of the Academy of Social Science, participated in the conference for the South side; and five people, including Chin Yong-kol, participated for the North side. Ma Yuzhong, former president of Liaoning University; Tong Dalin, researcher of the State System Reform Committee; and Xiao Zhuoji, Beijing University professor, participated in the conference for the PRC side.

ROK: Kim Yong-sam's Address Invites DPRK to 'Sincere Talk'

SK1705023596 Seoul YONHAP in English 0145 GMT 17 May 96

[FBIS Transcribed Text] Seoul, May 17 (YONHAP) — President Kim Yong-sam reiterated Friday the need for North and South Korea to sit down together for "a sincere talk" about a permanent peace on the Korean peninsula and the prosperity of the two Koreas.

In an address to the opening session of a meeting of Advisory Council on Peaceful and Democratic Unification members from Japan held at Sheraton-Walker Hill Hotel in eastern Seoul, he called on the North Koreans to "come out to the path of reform and openness as soon as possible."

"The reunification of Korea must be achieved in a peaceful and gradual manner...and in order for this to be realized, the easing of tensions on the Korean peninsula and building of a mutual trust between the South and the North are essential," he stressed in the address read by Vice Chairman O Cha-pok of the council.

Noting that the four-nation meeting he and U.S. President Bill Clinton proposed last month is "the most realistic approach" to a permanent peace on the Korean peninsula, Kim again called on Pyongyang to accept the proposal.

He said unification might come suddenly and at the least expected time, citing North Korea's political unrest, food shortages and energy crisis.

"So, we should be prepared for all possibilities," he added.

ROK: Ambition, Size of Conglomerates Set ROK 'Apart'

SK1105083796 Seoul YONHAP in English 0756 GMT 11 May 96

[FBIS Transcribed Text] Seoul, May 11 (YONHAP) — The degree of South Korea's economic ambition and the size of Korean conglomerates set the nation apart from other newly-industrializing economies, the editor of the ASIAN WALL STREET JOURNAL [WSJ], Urban Lehner, said Saturday.

The nation's drive to be a technological power is "truly impressive," he noted, exemplified by its committment to increase research and development spending to five percent of its gross domestic product by 2000, he added.

Lehner was speaking at a panel discussion on the future of the South Korean economy at the Asia Society conference, "Asia Goes Global: Korea and the Region," at the Shilla Hotel in downtown Seoul.

Joining him was James Lilley, former U.S. ambassador to Seoul, Yi Han-ku, president of the Daewoo Economic Research Institute, and Kim Ki-hwan, chairman of the Board of Directors of the Korea Trade/Investment Promotion Agency.

The size of Korean chaebols can limit their "nimbleness" in actions, but their size gives them the "critical mass" to spend on and engage in high levels of research and development, the editor added.

Yi surmised that the Korean economy could still grow above seven percent yearly if the Japanese yen appreciates steeply again and the productivity of the Korean worker rises.

The growth rate could dip as low as five percent, however, if working hours decrease and corporate investment into automation and technological development slackens, he pointed out.

On Korean reunification, both Kim and Yi said they support a more gradual process, but Yi cautioned that nothing could control reunification if and when it happens.

Lilley, in his presentation, voiced his concern on the increasing trend of military spending in Asia, which spent 75 billion U.S. dollars in 1995 on arms and could pour in 130 billion by the end of the century.

He also stressed the role of coalitions, such as the Korean Peninsula Energy Development Organization and the United Nations effort in Bosnia, in helping to neutralize trouble spots worldwide.

ROK: KFTA Urges Revision of Tariff Refund System

SK1405014196 Seoul THE KOREA TIMES in English 14 May 96 p 8

[FBIS Transcribed Text] The Korea Foreign Trade Association (KFTA) has called for a revision in the tariff refund system.

The organization, releasing the outcome of a survey conducted on 500 member companies, has asserted that 263 firms, 53 percent, were found to have failed getting a tariff refund for exported material and resources.

Most of the polled companies cited complicated and expensive costs as the main reasons for not receiving a refund.

The average refund volume they failed to receive amounted to 44.7 million won on average.

Forty three companies, or 16.3 percent of the total, failed to obtain a refund exceeding 50 million won.

The KFTA alleged that for small and medium-sized companies, the portion of the money needed for the tariff refund in their total export volume amounted to some 0.19 percent.

The organization called for simplification of related regulations or the introduction of a system for the postponement of tariff collection.

ROK: 'Sweeping' Foreign Exchange Market Deregulation Announced

SK1705140096 Seoul YONHAP in English 0817 GMT 17 May 96

[FBIS Transcribed Text] Seoul, May 17 (YONHAP) — The Finance and Economy Ministry announced Friday a sweeping foreign-exchange market deregulation program as part of its plan to open the financial market.

Some of the more significant points of the program which will take effect next month are:

— An emigrating family of four may now take up to 1 million U.S. dollars — 400,000 dollars for the family head and 200,000 dollars for each member — out of the country. If a family plans to take more than this, it must seek the Bank of Korea's approval. Thus, emigrating families may now carry virtually as much foreign currency as they want with them when they leave the country.

— The money exchange business will be deregulated. Individuals that have a daily balance of at least 50 million won in their bank accounts for the past three months and corporations with paid-in capital of at least 50 million won many now open a money exchange after registering with the Bank of Korea, provided that they have the necessary space and hire at least two foreign-currency dealers. These exchanges will be able to purchase foreign currency for up to 10 percent more than the foreign exchange bank's rate.

— The ceiling on foreign-currency remittances to maintain overseas offices, now pegged at 20,000 dollars per office and 10,000 dollars per employee a month, will be lifted. But if a corporation remits more than 50,000 dollars per employee, 80,000 dollars for two employees, or 30,000 dollars per employee for an office with more than three employees each month, it must report such remittances to the national tax administration.

— Restrictions on the domestic use of funds from overseas corporations and subsidiaries will be completely lifted.

— Individuals may now also carry up to 8 million won with them — the same amount as overseas travelers — when they leave the country for any reason and can use the money for any purpose — converting it into foreign currency or depositing it in a foreign bank, etc.

— Foreign exchange banks can now offer won loans of up to 100 million won to a non-resident or foreigner. Such loans are currently banned.

— Residents, including expatriates, may now issue a foreign currency-denominated check for up to 1,000 dollars based on their foreign-currency deposit balance per deal with each other, but the overseas use of such checks will be banned.

— Institutional investors may now deposit as much foreign currency at a foreign bank as they want to, the upper limit of 100 million dollars on such a deposit will be lifted. The overseas deposits ceiling will be raised from 1 million dollars to 3 million dollars for corporations and from 30,000 dollars to 50,000 dollars for individuals.

— The upper limit of small deferred payment exports exempt from government check of whether exporters have received payment within a fixed period of shipment will be raised from 20,000 dollars to 30,000 dollars per contract, and there will be no government-set period of receiving payment for such exports.

— Overseas construction and service companies may now hold a 30 percent balance of overseas contracts instead of the current 20 percent.

— Foreign exchange banks may now buy more than 20,000 dollars in remittances from abroad and must report such purchases to the national tax administration. Banks are currently barred from purchasing more than 20,000 dollars in remittances from abroad.

— Foreign exchange banks may now sell up to 20,000 dollars in foreign currency to a client, irrespective of the use of such foreign money. Such foreign-currency sales are now limited to 10,000 dollars.

ROK, Italy 'Like-Minded' on UN Security Council Reforms

SK1605131296 Seoul YONHAP in English 0647 GMT 16 May 96

[FBIS Transcribed Text] Seoul, May 16 (YONHAP) — South Korea and Italy are "like-minded" in their positions for the reform of the United Nations Security Council (UNSC), Italian ambassador to Seoul Guido Martini said Thursday.

Seoul agrees with Rome's proposal that the UNSC retain its original five permanent and 10 non-permanent members, but that 10 new seats under the category "semi-permanent membership" be adopted, he said, adding that the UNSC needs to be more efficient and democratic in light of recent global changes.

"Nowadays, the UN needs a system permitting all nations capable of contributing to have the right role in the U.N," he told reporters at his residence in Hannam-tong, central Seoul. Italy is serving as chaircountry of the European Union (EU) for the first half of this year.

According to the proposal, thirty states, to be selected proportionally from each world region through a majority vote of the UN General Assembly, would rotate as council members every six years for a two-year term, a measure that would safeguard the role of the General Assembly.

Reviewing the list of 30 nations every 12-18 years, the General Assembly would have the right to exclude nations that failed to meet their committments and responsibilities, and accord greater representation to regions and nations that are currently underrepresented, it continued.

The Italian proposal would address both the problems of the UN budget and reform of the UNSC in providing a more suitable solution, he added, with 63 of the 185 UN members sharing Rome's opinion.

On the recent proposal calling for Japan and Germany to be admitted as permanent UNSC members as well as one nation each from South America, Africa and Asia, he voiced his concern that such a measure, already a bone of contention among UNSC members, would foster debate in each continent as to which nation would gain membership.

Seoul also agrees with Rome that all UN members must pay their financial dues in full and on time, and that dues could be regulated by a system of incentives and penalties, he said.

Criteria for UNSC membership would be the potential of nation to contribute to the world body, economic and population factors, and the extent of its participation in Peacekeeping Operations worldwide, Martini added.

The EU is not against the admission of Japan and Germany into the UNSC, he said, but the world body must take into account the emergence of new actors on the world stage, notably South Korea.

Given Seoul's active participation in Peacekeeping Operations as opposed to Tokyo's low turnout and its failure to pay its UN dues in full, South Korea has the right to participate in the UNSC on an equal footing with Japan, he claimed.

If this "like-minded" proposal is defeated, South Korea would be unstrategically positioned between two nations — China and Japan — with UNSC veto power, he warned, believing that China may be sympathetic to the proposal because it would not want any other nation, particularly Japan, to be granted veto power.

ROK Weekly on 'Destroying Power' of Kim Yong-sam Politics

SK1405042096 Seoul CHUGAN CHOSON in Korean 16 May 96 pp 10, 11

[Article by Hong Chun-ho: "The Appalling 'Destroying' Politics of Kim Yong-sam]

[FBIS Translated Text] One way to comprehend the "YS [Kim Yong-sam's initials] politics" is by the way he talks. Following the 11 April general election, President Kim Yong-sam invited opposition leaders to Chongwadae [presidential offices] and told them: "I do not think the election result means the opposition has won the majority." The New Korea Party [NKP] won 139 seats in the general election, 11 shy of a majority. Political commentators interpret the election result as the golden section that prevents domination by either the ruling or opposition parties, and they said that they were amazed by the people's choice. The three opposition leaders asked President Kim not to go to excess to secure the majority, but he answered: "The opposition has not won the majority."

Less than one month after the meeting with the opposition leaders, independent lawmakers-elect joined the NKP at the ratio of one each day. The Democratic Party, which was already suffering from the defeat in the election, staged a sit-in to protest the successive bolt of its lawmakers-elect. Following the arrest of Kim Hwa-nam, former director of the National Police Agency during the earlier period of Kim Yong-sam's term and lawmaker-elect of the United Liberal Democrats, on a charge of violating the election law, Kim Tae-chung and Kim Chong-pil, who once even complimented President Kim after their meetings with the president, rushed to a meeting and announced a joint statement claiming that they "will not hesitate to refuse to open the National Assembly sessions if the ruling party destroys the current status quo in which the opposition parties hold the majority of seats."

Now, any amateur can comprehend the way YS talks. What he says is not an "explanation" about the current situation at this juncture, but a "goal" which he wants to achieve and which he considers achievable. President Kim usually omits to mention the whole process but talks about goals; once he sets his goal, he does not look around but pushes ahead. This is the YS style of conducting politics.

The obsession with the goal brings about ceaseless changes and alterations of the current situation. When people complain about the changes, Kim Yong-sam would give another pretext and make the changes. Even though the YS style is risky, his calculation is that once it works, it will win a bigger war trophy —maintaining and expanding his political power. However, a failure will bring him to the brink of ruin. The destroying power of the YS politics stems from this win-or-lose game with a lot of risks.

Following President Kim's failure in the 1995 local election, the media talked about the post-three Kims' era. Kim Tae-chung and Kim Chong-pil's camps, as well as the people, put pressure upon Kim Yong-sam to "take down his flag," and questioned whether "Kim Yong-sam's flag of a generational shift has lost its luster". Some even advised that "in order for Kim Yong-sam to survive, he should stop changing and destroying and should make a compromise."

However, Kim Yong-sam went in the opposite direction. Despite the demand from the opposition and the media, he met neither Kim Tae-chung nor Kim Chong-pil, and arrested two former presidents. He then placed generational shift-style candidates in the metropolitan areas. Perhaps, this strategy worked; the NKP won in Seoul and some local electoral districts that were deemed pro-opposition, partially breaking the composition of the opposition's post-three Kims' era.

Immediately following the general election, President Kim strived to destroy the opposition's majority. When the media denounced the recruitment of the lawmakers-elect of the opposition parties, NKP Secretary General Kang Sam-chae said: "We are only interested in independent lawmakers-elect, not those in the opposition parties." However, Chongwadae reversed Kang's assurance the next day.

The "destroying" operation has not been limited to the recruitments. The investigation of election law violation cases first hit lawmaker-elect Kim Hwa-nam, who is considered a "traitor" from the YS point of view. The arrest of the president of Cheil Bank forecasts another "destruction."

The opposition parties expected the replacement of the NKP chairman would result in a split within the NKP, but Kim Yong-sam crushed their expectation again by naming a colorless figure as the party head without a fuss. He silenced the group of next presidential candidates by saying: "Now is not the time."

How long will the destroying power of the YS politics survive? Artificial destruction entails aftereffects. On 4 May, Kim Tae-chung and Kim Chong-pil, who always walked in the opposite way, had a long official meeting for the first time in their political lives. Their long talks can be summarized that "We cannot leave Kim Yong-sam alone and we must join our strength."

The 15th National Assembly is expected to be turbulent. President Kim plans to give an opening speech urging the lawmakers to do away with the old practices and make the National Assembly productive. However, the opposition parities will not welcome his speech.

Kim Yong-sam's conflict with the two Kims has a long history. President Kim was not able to see any opposition lawmakers attending his inaugural ceremony, even though he sent them invitations. Furthermore, he was given a cold reception when he went to the National Assembly to deliver speeches on two occasions.

The conflict with the two Kims may be a secondary problem to President Kim. The opposition politicians agree that a greater factor threatening President Kim lies in the ruling circles. Although they are maintaining a low profile, those who covet the next presidency will not wait for President Kim's guidance forever. Considering President Kim's tendency to destroy the status quo, the selection of the next presidential candidate will not be a smooth race. The ruling circles believe that President Kim will select a surprising candidate whom he can trust. However, it is doubtful that other candidates will comply with such attempt of the president who will step down.

The destroying power of Kim Yong-sam, which has so far made more success than failure, will undergo a final verification when he nominates his successor.

ROK Political Parties Banning 'Differing Opinions'

SK1705005896 (Internet) The Digital Chosun Ilbo WWW in English 1213 GMT 16 May 96

[Editorial: "Opposition-Free Politics"]

[FBIS Transcribed Text] Among members of the ruling New Korea Party there seems to be mood of self-restraint, where members have decided not to discuss candidates for the next term. The impression is that, with the exception of one member, all others eligible for the next presidency will be laid low by the end of the year, if not the end of this term. Opposition forces are also busy with similar antics. Kim Tae-chung, leader of the National Congress for New Politics, virtually gagged other party members by declaring his own desire that, "I would like to become the President." Meanwhile, vice-president of the United Liberal Democrats, Kim Pok-tong voiced his opinion that, "Neither Kim should run," but then immediately withdrew his statement.

This kind of behavior is hardly worthy of modern society, but is more fitting to antiquated models of feudal monarchy. Though we are no longer under military rule, within political groups, decisions are still entrenched in a system of forced hierarchical order, where those with opposing views are simply expelled.

Because Korean society is one in which differing opinions and individual thoughts are not accepted as variations within the spectrum that make up the foundation democracy, but rather, are considered high-treason, politicians are left with little but to resign themselves over. Those who continue to voice their own opinions are treated as naive children, and politics becomes a function of playing guessing games with party leaders, anticipating their desires and dislikes, weighing what is said in private, and so on. Even though one may enter the party with one's integrity intact, it soon becomes necessary to close ones eyes, and simply become an instrument for the party.

Unless we give up these vestiges of premodern society, we cannot say that we have completed the process of democratization. In such a position, we cannot even claim to be liberalized. In this regard, we should listen statements from those like Yi Hoe-chang, of the New Korea Party, that, "We shouldn't just bow down," and National Congress of New Politics party member Kim

Sang-hyon's comment that, "Different voices should also be heard in the party." These can hardly be called special comments, but are merely common sense. If comments on par with "1 + 1 = 2" make up the news, however, it is merely an indication that we are living in a rather extraordinary situation. We need to deal with this system, which forbids discussion among a variety of opinions, and do away with the present regime which rules by forced order.

ROK Paper Criticizes Opposition Politicians Joining NKP

SK1505012496 (Internet) The Digital Chosun Ilbo WWW in English 1135 GMT 14 May 96

[Editorial: "Double Talking Politicians"]

[FBIS Transcribed Text] Three democrats elected during the recent general elections defected to the New Korea Party. Yi Kyu-taek was a spokesman for the No. 2 opposition party and played a leading role in criticizing the New Korea Party. In January, he commented on the New Korea Party's effort to lure away opposition party members, by saying that "everybody knows that the New Korea Party is a sinking ship. All the rats in the ship are trying to escape so the New Korea Party should keep the rats in their ship." Within six months, he himself joined the rats, according to his expression.

Choe Uk-chol and Hwang Kyu-son are not much different. Choe who created controversies through rumors he allegedly held a meeting with President Kim Yong-sam before the general elections, evaded reporters' questions about the truth of the rumors, saying "I didn't leak the rumor and it was generated by others." Hwang also denied rumors that he would change parties after the election by saying "I will not quit the party because I was elected as a result of voters' support for the Democratic Party."

But even before the new National Assembly session has begun, these politicians changed parties and went back on their word, saying that "a political party which has failed to organize a negotiation group in the assembly makes it very difficult to work as a national assemblyman." We are outraged at the way they perceive the people. However necessary it may be to get out of a "ruling party without a majority," how could a so-called reformatory political party invite such lying politicians to their party?

There is a strong suspicion this may be due to the slanted investigation of irregularities during the election campaigns. So far, the severity with which opposition party members have been investigated and arrested far outweigh the level at which New Korea Party members have been investigated. If this situation is not drastically corrected, the suspicion that joining the New Korea Party and investigation into campaign irregularity is related will never go away. Even in political maneuvering there should be a minimum sense of shame. Such behavior by politicians reveals our politics' darker side and we cannot but have contempt for them.

ROK: NKP 'Presidential Candidate Hopeful' Cited on Candidacy

SK1505103496 Seoul YONHAP in English 0845 GMT 15 May 96

[FBIS Transcribed Text] Seoul, May 15 (YONHAP) — Pak Chan-chong, a presidential candidate hopeful in the ruling New Korea Party (NKP), has said that he believes the next presidential candidate of his party will be selected "in a democratic way, through procedures the people would accept and consent to."

In a press release Wednesday, Pak said, "to select a candidate in a way that can turn into a festive occasion amid national consensus is important in that it can help differentiate the NKP from the opposition parties, and I think that things will go that way."

On the timing of an open discussion on the candidacy issue, Pak indicated he was favoring an idea of starting it next January saying, "it is desirable to withhold it until the end of this year."

ROK: Kim Tae-chung Hints at Running in Presidential Election

SK1505064396 Seoul YONHAP in English 0609 GMT 15 May 96

[FBIS Transcribed Text] Seoul, May 15 (YONHAP) — Opposition leader Kim Tae-chung strongly suggested Wednesday his intent of again running in the forthcoming presidential election by saying, "I still have an ardent desire to become president."

Kim, president of the major opposition National Congress for New Politics [NCKP], made the remarks at a meeting of the NCNP lawmakers-elect at the National Assembly.

He blamed his "lack of virtue", regional discrimination, trumped-up charges of his being a communist and election rigging for his defeats in three previous presidential races.

"It is not for my own success or glory, but out of a sense of mission that it would benefit the people for me to realize my aspirations to administer the state, that I want to become president," Kim said.

The opposition leader added, however, that he will decide whether or not to compete in the next presidential election by the end of this year.

A prerequisite for his decision, he said, is the attainment of three preconditions: party's support, people's aspiration, and the assurance of a fair election free of money-polluted politics, government interference and political maneuvers aimed at taking advantage of the public awareness of national security.

"Unless the issue of election rigging is resolved, no opposition presidential candidate, whoever he or she may be, would emerge victorious," Kim asserted, attaching more importance on the resolution of the issue than on putting up a single opposition presidential candidate.

Kim urged his party members to refrain from discussing the presidential nomination issue, saying, "I'm not telling you not to express yourselves. But there is an order of importance, and now is a time for the party to concentrate on investigating election frauds."

ROK Ministry Official Comments on Financial Policy

*SK1605042196 Seoul YONHAP in English
0119 GMT 16 May 96*

[FBIS Transcribed Text] Seoul, May 16 (YONHAP) — The government will show flexibility in monetary controls so that interest rates can stabilize, a senior Finance and Economy Ministry official said Thursday.

Noting interest rates have been rising due to concern about a possible tight money policy, Kim Yong-sop, financial policy officer of the ministry, said the government has no plans to contract the money supply in any manner that runs against market mechanisms, adding the central bank would increase money supply until interest rates stabilize.

He dismissed as "totally unfounded" the concern about a stronger demand control to reduce imports for a lower trade deficit and about tighter monetary controls for price stabilization and said the government would control the money supply on the basis of interest rate movements.

The M2 money supply, the sum of cash in circulation and demand and savings bank deposits, increased 15 percent on an average daily balance basis in the first two weeks of may, but this rather sharp increase was due to the release of some 2.5 trillion won in government funds, including the payment of teachers' salaries on May 10, he explained.

He said he expects that the growth pace will slow and the money supply will return to the normal level toward the end of the month.

There will be no fund shortages for businesses because most conglomerates have almost stopped investing in new equipment and because even those making new investments are raising necessary funds from overseas markets, he remarked.

The yield on three-year bank-guaranteed corporate bonds, the benchmark interest rate, rose to 11.1 percent Wednesday, passing the 11-percent mark for the first time in nearly a month.

Yields on bank-issued certificates of deposit and call market rates also rose.

ROK: SMBA Unveils Financial Package To Aid Small Firms

*SK1705052296 Seoul THE KOREA HERALD
in English 17 May 96 p 8*

[FBIS Transcribed Text] The Small and Medium Business Administration (SMBA) unveiled a financial aid package yesterday which would make it easier for smaller firms to borrow from banks.

The package, announced after SMBA's third regular meeting with the banking community, contains general forthcoming changes plus new policies being set by individual banks.

Overdue interest rates on government loans are poised to be lowered to 16 percent from the current 18 percent. The move is in line with recently falling interest rates, according to the administration.

Individual institutions agreeing to changes for smaller firms consisted of four banks and two government-run credit fund institutions, including the Korea Credit Fund, Kookmin Bank, Industrial Bank of Korea and the Taegu-based DongNam Bank.

Most of the changes are to go into effect by the second half of the year, while a few are already in practice. The goal of the measures is relaxing credit analysis rules and leaving more loaning decisions to individual branches dealing with small businesses.

The Kookmin Bank starting this month has begun making credit loans to preferred small-business customers with long-term transactions with the bank. An estimated 5,000 smaller enterprises fall in this category, according to the bank.

DongNam Bank has set aside a 100-billion won fund to loan to smaller manufacturers based in the Taegu area specializing in the automobile or shipbuilding businesses.

The Industrial Bank of Korea will adopt, during the third quarter of the year, a technology-based collateral system through which firms can take out loans using their own technologies as collateral.

The latest measures are in response to the number one concern being addressed by Korea's small- and medium-sized firms, classified as those employing under 300 persons.

Difficulties in financing have consistently been singled out by firms themselves as the biggest obstacle, based on SMBA studies.

Small- and medium-sized firms last year recorded a 15-year high bankruptcy rate. Over 39,000 firms went bankrupt last year, or an average of 36 a day.

The high bankruptcy rate is linked to a variety of factors, including Korea's soaring wages, large conglomerates' dominance, the market opening and the Korean economy's increasing demand for high-end services and products smaller firms are unable to supply.

ROK Ministry Reveals Projects for Information Superhighway

SK1705052696 Seoul THE KOREA HERALD in English 17 May 96 p 8

[FBIS Transcribed Text] The Korean Peninsula's war game system, remote golf game service, video phone-based radio broadcasting system, newsphoto on-demand service, Christian museum service, family genealogy information service, on-line diagnosis service for cancer patients, virtual-reality anatomy system, antipornography system and audio-book service for the visually impaired.

These are among the subjects of the Information Superhighway network's application software programs, which have been selected by the Korea Information Infrastructure Task Force (KIITF).

The KIITF, affiliated with the Ministry of Information and Communication (MIC), yesterday presented a list of 195 information-superhighway application-software R&D subjects and their undertakers.

"Undertakers of the 195 projects will be required to complete their R&D works by the end of April of 1997," said a spokesman for the KIITF.

Then, the newly developed application programs will be test-operated on the trial Information Superhighway networks, starting in June of 1997. The government will provide about 8 billion won, or an average of 40 million won per project, to the undertakers of the 195 projects, which include Seoul National University, Korea Advanced Institute of Science and Technology (KAIST) and LG Information & Communications Co., the spokesman said.

The KIITF accepted a total of 483 candidate subjects last March and conducted a three-tiered close screening during last month before finally announcing the list of the 195 successful applicants yesterday.

The 195 subjects include "on-line examination" and 32 other education-related software, "multimedia traffic information system" and 75 other everyday-life information, "remote medical checkup system" and 33 other medical information, and "desktop office" and 17 other business-related software. "On-line real-estate information service" and "electronic auction service" are among the remaining 34 subjects.

Undertakers, which will receive between 30 million and 50 million won in government subsidy, number 138, while 38 undertakers are to receive a subsidy of over 50 million won.

Detailed information on the 195 R&D subjects is available at the KIITF's Internet Web server (http://newnet.kii.go.kr).

ROK: Kyongju Conflict Over High-Speed Train Route Viewed

SK1705051696 Seoul THE KOREA HERALD in English 17 May 96 p 8

[Article by staff reporter Kang Yon-son: "Pros, Cons Arise Over Bullet Train Project in Kyongju"]

[FBIS Transcribed Text] The very old and the very new are locked up in a dispute in Kyongju, the capital of the once great Silla Kingdom (57 B.C.-A.D. 935).

In this city rightly called a "museum without walls," the very old are the hundreds of royal tombs, Buddhist temples, and archaeological remains going as far back as the time of Julius Caesar.

Pit these treasures against Korea's multibillion-dollar bullet train system with its tantalizing promise of breathing more commercialism into this sleepy city, one has real a recipe for controversy.

The bone of contention is how Korea's bullet trains are to pass through this hilly city.

The Ministry of Culture and Sports, at the urging of archaeological and Buddhist circles, is opposing a selected route passing through central Kyongju, which is dotted with several notable remains including a 7th-century astronomical observatory.

They are proposing an alternative route to the southwestern edge of city, about 10 km away from the center.

They also object to the sight of a railway raised 15 meters above the ground smack in the middle of the city, claiming it is destructive to Kyongju's ambience. Furthermore, they fear that the vibrations caused by trains operating at an excess of 300 km/h could affect the uncovered remains.

Yi Son-pok, an archaeology professor at Seoul National University, likens the routing by the Ministry of Construction and Transportation to the unthinkable.

"In Seoul, who in their right mind would dream of building a road through Piwon (Secret Garden)?" he argues, making an analogy with the 18th-century Yi Dynasty (1392-1910) royal residence in central Seoul.

The archaeologist was part of a 20-member investigative team sent to Kyongju recently to settle the question once and for all. Based on their report, the Prime Minister's Office is expected to announce a decision in the next few weeks.

But the decision won't be an easy one since the report contains the opposing views of transportation and urban planning experts, not to mention the sentiment of many of Kyongju's residents.

Kyongju or no?

Their argument is one based on pragmatism and precedents set by European cities, which also dealt with the issue of archaeological findings upon installation of high-speed train systems.

One official at the Ministry of Construction and Transportation's high-speed train division lashes out against the accusations of these who oppose the project.

"We too are very mindful of preserving cultural remains," says Chang Tae-chung, at the ministry's high-speed rail division.

"Numerous studies show the original route minimizes damages because discoveries are likely to be more complete along the river bank and in central Kyongju," he argues.

The same issue popped up in several European countries during their development of high-speed train systems. But the issue hardly stirred debate: In Spain, France or Greece, new museums were erected to house the relics uncovered during the construction.

Talk of adding more museums to Kyongju have yet to unfold. What's more the Kyongju dilemma is confounded by complex discussions over economic opportunities.

Despite differing views on routing, both sides want the high-speed train to stop at the city.

Kyongju is one of few cities in Korea which has remained immune from industrial developments, despite its proximity to Pohang and Ulsan, each home to Korea's largest steel making and auto plants.

With the ancient capital attracting over 6 million visitors a year, tourism is the lifeline to some 250,000 residents of the greater Kyongju area.

When transportation authorities in 1993 designated Kyongju as one of five stops on the 430.7-km Seoul-Pusan line, they had a double purpose — to draw more visitors to Kyongju and to serve the neighboring industrial complexes in Pohang and Ulsan.

For Kyongju residents, the major lure of a high-speed train station was the potential jump in tourism revenue, but also anticipated was an appreciation of commercial property values and a development boom.

Says one urban planning expert, speaking on the condition of anonymity, "It is the right of Kyongju residents to grab an economic opportunity when it presents itself."

The Kyongju business community, in particular, is said to be in favor of locating the station in the city center. But the city is not devoid of dissenting voices either.

As one well-established tour guide based in Kyongju told THE KOREA HERALD, "It's a real shame for the city to trade in its quaintness for commercial development." She then adds, "I don't want my hometown to turn into Anytown, Korea."

All these debates have stirred a third opinion recently, although it is virtually devoid of government backing.

The question is, should the high-speed train have a Kyongju stop at all?

"Kyongju is a place fit for carriage drives," says Yi at Seoul National University.

But die-hard supporters are apparently in favor of the original plan. Their belief is that the original routing resolves just about every concern, by protecting cultural relics and improving the local economy.

What of the complaints over the "unsightly" view of the train passing through a city dotted by traditional tiled roofs, royal burial mounds and pine trees on hills?

On a more philosophical note, the transportation expert who supports the original plan says the juxtaposition of the very old and the ultramodern can only add to the lure of Kyongju.

"And don't forget, today's objects are tomorrow's cultural treasures," he says, adding, "Who says high-speed trains can't one day be a museum piece?"

Brunei, Malaysia & Singapore

Malaysia

Malaysia: Government 'Baffled' Over Closure of Taiwan Companies

BK1605130396 Kuala Lumpur THE STAR in English 16 May 96

[Report by Adlina Wahab — received via Internet]

[FBIS Transcribed Text] Kuala Lumpur — The Government is baffled over the sudden closure of Taiwanese-owned companies which has left more than 2,000 workers in the lurch.

Human Resources Minister Datuk Lim Ah Lek said that since January last year, 31 such companies nationwide closed down suddenly without giving any benefit to their workers.

"This has affected 2,000 workers with statutory benefits amounting to more than RM [Malaysian ringgit] 1 million not settled.

"Most are believed to have ceased operations just to escape liability payments while some cited the need to relocate due to losses.

"They are not fly-by-night operations as some are found to have been here for 20 years. These companies are mostly joint ventures and mainly labour-intensive ones.

"We will hold a dialogue with the 900 Taiwanese companies still in operations soon," he said yesterday.

Taiwan ranked the third largest investor in Malaysia last year with 123 projects amounting to RM1.442 billion. Lim said efforts were being made to trace these operators.

MTUC [Malaysian Trade Union Congress] president Zainal Rampak said the dialogue was timely as the labour centre had received a number of complaints.

Malaysian Premier: Appointment of New Sabah Chief Can Proceed

BK1605130696 Kuala Lumpur THE STAR in English 16 May 96

[Unattributed report — received via Internet]

[FBIS Transcribed Excerpt] Tokyo — The appointment of Datuk Yong Teck Lee as Sabah Chief Minister can now take place as he has not been disqualified as an elected representative, Datuk Sri Dr Mahathir Mohamed said yesterday.

The Prime Minister said he had left instructions with [Deputy Prime Minister] Datuk Sri Anwar Ibrahim to proceed with the appointment if Yong cleared all legal obstacles.

Yong and four others were yesterday fined RM [Malaysian ringgit] 1,000 by the magistrate's court in Kota Kinabalu when they pleaded guilty to an amended charge of taking part in an unlawful assembly during the 1990 general election.

Under the federal and state constitutions, an elected representative can be disqualified from being a member of the state assembly if he is fined RM2,000 or more.

BERNAMA quoted Dr Mahathir, who was informed of the court's verdict here, as saying: "Well, this means he won't be barred from taking office as he will continue to be a member of the (state) assembly."

"I have already left instructions with Datuk Sri Anwar. So he will proceed (with the appointment)."

Asked when Yong would be sworn in, he replied: "I will have to contact Datuk Sri Anwar."

Yong and four others — Gaya MP Philip Yong and their supporters, Akmad Umal Basah, 41, Awang Lamin Deramin, 50, and Peter Wong Kui Sing, 48, — were each fined RM1,000 or three months' jail under the amended charge of being members of an unlawful assembly in 1990 tendered by Senior Federal Counsel Datuk Abdul Gani Patail.

They were originally charged under Section 27 (8) of the Police Act 1967 for taking part in an illegal procession on nomination day, Oct 11, 1990.

Yong, now president of Sabah Progressive Party, also faced a second charge of disobeying a police order to disperse under Section 27 (5) between 9.40pm and 12.35pm along Jalan Gaya. The charge was withdrawn by the prosecution yesterday. [passage omitted]

Malaysia: PAS Severs Ties With Ally at Federal Level

BK1705090796 Kuala Lumpur THE STAR in English 17 May 96

[Unattributed report]

[FBIS Transcribed Text] Kota Baru — State PAS [Pan Malaysian Islamic Party] has severed ties with Parti Melayu Semangat 46 [Malay Party of Spirit of 46 or S 46] leaders at federal level, Kelantan Mentri Besar [chief minister] Datuk Nik Abdul Aziz Nik Mat claimed yesterday.

He said PAS co-operation with Semangat was only confined to its state leaders when asked to explain the reconciliation he claimed to exist between PAS and Semangat.

Nik Aziz also said that he reckoned Semangat at federal level was dead as its top leaders wanted to rejoin UMNO [United Malays National Organization].

On Wednesday, Nik Aziz had said problems had been aggravated because of the interference of Semangat leaders at federal level.

State Semangat political bureau chairman Nik Mustapha Nik Loding responded: "What about PAS? Can it explain the interference by its federal leaders in Kelantan affairs like the proposed amendments to the state constitution?"

Malaysia: 6 Billion Ringgit Allocated for Military Equipment

BK1705105796 Kuala Lumpur THE STAR in English 17 May 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Lumut — The Defence Ministry will spend RM [Malaysian ringgit] 6 billion to buy military equipment under the Seventh Malaysia Plan, but submarines are not on the shopping list.

Minister Datuk Syed Hamid Albar said his ministry had already identified the equipment it needed.

He said the RM6 billion was part of the RM7 billion allocated to the ministry over the next five years.

"The ministry hopes the allocation will be increased during the mid-term review," he said.

Syed Hamid said there was no immediate plan to set up a submarine division in the Royal Malaysian Navy, which would only stress on the need to upgrade and develop its surface vessel services.

He said although there were several neighbouring countries which had set up such a division, Malaysia would only do so in five to 15 years' time.

"We do not want to create an atmosphere of an arms race in the region," he told reporters after launching the navy's mission and vision charter at its base here yesterday.

Singapore

Singapore: Dutch Minister Proposes Bilateral Business Council

BK1705091796 Singapore THE STRAITS TIMES in English 17 May 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] The Netherlands, which enjoys one of the fastest rates of growth in Western Europe, has proposed setting up a unique bilateral business council, comprising promising local enterprises, to further business links with Singapore.

Its visiting Economic Affairs Minister Hans Wijers said in an interview yesterday the idea was discussed at his meetings with Prime Minister Goh Chok Tong and Trade and Industry Minister Yeo Cheow Tong.

Singapore and his country have in common their roles as "hub economies" in their respective regions and are both keen to promote high value-added activity in which home-grown companies have a significant role to play, he said.

While the Dutch presence in Singapore dates back to the last century and 280 Dutch companies are active in the Republic, Dr. Wijers said "it was felt that the two governments should start some projects to work together."

He was impressed with Singapore's approach of grooming promising local enterprises into multinational corporations of tomorrow.

In his own country, a study was underway to identify promising enterprises which could, with government help, grow into multinational corporations, he added.

While the big boys can take care of themselves, he felt promising local enterprises in the two countries should be brought together through a business council to explore tie-ups which could help them grow mutually.

He said his ministry and Singapore's Trade and Industry Ministry will bring such companies together. If the idea clicked, the proposed business council could be launched during PM Goh's official visit to the Netherlands in October.

Dr. Wijers said his government last year developed a Southeast Asian strategy which called for the allocation of more funds and political time for cultivating business relations with the region.

High-level political visits to the region were taking place regularly to open doors and create networks which Dutch companies could then exploit for business opportunities.

While both Singapore and the Netherlands had highly liberalized economies, he felt the two governments still had a role to play in bringing together businesses and technical institutes for mutual benefit.

During his three-day official visit which ends today, Dr. Wijers visited the National Computer Board, the National Science and Technology Board, and the Gintic Institute of Manufacturing Technology.

An industrial counselor posted to the Netherlands Embassy a few days ago has the special responsibility of promoting scientific cooperation between the two countries and attracting investments from Singapore and the region to the Netherlands.

Dr. Wijers said the Dutch economy was growing at 1.5-2 percent and he aimed to raise the growth rate to 3 percent.

The Netherlands had created over 100,000 jobs annually in the last three years, while unemployment had risen in many mature European economies.

Singapore Airlines Ready To Back New Airbus Jumbo Project

BK1605131496 Hong Kong AFP in English 0528 GMT 16 May 96

[FBIS Transcribed Text] Singapore, May 16 (AFP) — Singapore Airlines Ltd. (SIA) plans to buy about six "super jumbo" jets and is ready to lend technical and commercial support for the project, a company spokesman said Thursday. "We have said that we could probably keep about half a dozen very large capacity aircraft busy. We are thinking in terms of 500-600 seats," SIA public affairs chief Rick Clements told AFP.

"We have told this to both Airbus and Boeing," he added.

Clements was answering queries following an announcement in Berlin on Monday that the four European countries with stakes in Airbus Industrie had agreed to build a super jumbo and were seeking foreign partners for the costly venture.

Airbus has been planning a new aircraft codenamed "A3XX" to compete with an enlarged version of the B747 jumbo being developed by US giant Boeing Co. The project cost has been estimated by Airbus officials at between eight and 12 billion dollars.

Aviation experts have warned that growing congestion in the air and in airports will require larger aircraft in the 21st century.

SIA's managing director Cheong Choong Kong had called for quicker development of a super jumbo in a visit to the Airbus headquarters in Toulouse, France last month. "Such a massive project will require input from carriers, and — if the specifications and projected price are right — SIA is ready to lend its support," he said, adding that SIA was "following developments closely."

SIA spokesman Clements said that Cheong was referring to "support through customer input, in the technical and commercial sense" and "was not talking about a joint venture."

SIA is the world's most profitable airline. Last weekend it announced that the SIA group posted an 11.7-percent increase in net profit to 732 million dollars, on revenues of 4.92 billion dollars. SIA is expected to have 150 aircraft by 2004 following two massive orders from Boeing and Airbus worth 23 billion dollars since 1994.

Airbus Industrie includes Germany's Daimler-Benz Aerospace and France's Aerospatiale, each of which has a 37.9-percent stake, while British Aerospace holds 20 percent and Spain's CASA has 4.2 percent. Airbus said in its monthly Asia-Pacific journal last month that an integrated large aircraft division had been set up to "undertake all predevelopment activities" for the A3XX super jumbo.

It said demand for the aircraft would come mainly from airlines in the Asia-Pacific region. More than 560 aircraft capable of ferrying over 500 passengers will be needed in the region by 2014, representing 65 percent of global demand for such planes, Airbus said.

Cambodia

Cambodia: Ranariddh on Receiving 'Most Favored Nation Status'

BK1605151296 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 16 May 96

[Statement issued by First Prime Minister Prince Norodom Ranariddh in Phnom Penh on 15 May — read by announcer]

[FBIS Translated Text] In my capacity as the first prime minister of the Royal Government of Cambodia [RGC] and in the name of the entire Cambodian people, I would like to express my deepest gratitude to the U.S. Senate Financial Commission's leading members for having unanimously and unconditionally agreed to grant the important Most Favored Nation status to the Kingdom of Cambodia.

Moreover, the organization of a conference in Tokyo in the near future by the Advisory Council has more clearly shown the will of the international community, which has the intention of continuing its efforts in the aid sector with a view to joining in the reconstruction of our Kingdom of Cambodia. This is also testimony to the international community's acknowledgement of the decision and the resolute efforts made by all of the Cambodian people, who are absolutely determined to seek peace, national unity, and prosperity by closely cooperating with the international community.

The two events are an important step in the development process continued by the Cambodian people, who have resolved to combat poverty. Along with this, the improvement of the people's livelihood can also move forward to a satisfactory degree in the process of implementing liberal democracy and respecting the rights of mankind.

I unconditionally support the activities that strengthen the framework of our national institutions, especially in the fields of justice and administrative reform.

I would like to reiterate that I also fully support all of the fundamental principles stipulated in the Constitution.

Cambodia: Commentary Praises U.S. Senate's MFN Decision

BK1605073296 Phnom Penh National Radio of Cambodia Network in Cambodian 1300 GMT 14 May 96

[Political commentary: "Most Pleasant News"]

[FBIS Translated Text] According to a report from Washington on 8 May at 1000 Washington time, or 2200 Phnom Penh time, the U.S. Senate's Finance Committee approved the bill to give Cambodia unconditional MFN [Most Favored Nation] status. This is the most important step in the granting of MFN status by the U.S. Senate. Normally, the Senate does not reject anything its Finance Committee has approved.

On 11 July 1995, the U.S. House of Representatives had already voted to maintain Cambodia's MFN status which would permit it to export goods to the U.S. at the lowest duties. Therefore, although this bill has not yet obtained the final approval of the U.S. Senate, analysts think this is most pleasant news for the Kingdom of Cambodia.

The passing of this bill in 1995 by the U.S. House of Representatives took place on the same day President Bill Clinton issued the decision to reestablish full diplomatic relations with Vietnam severed since 1975. This year, the U.S. Senate's Finance Committee decided to grant Cambodia MFN status at the same time Mr. Bill Clinton announced he would not consider any economic sanctions against China.

It shall be recalled that our country lost its MFN status in 1975 when the U.S.-backed Lon Nol government was toppled by the Khmer Rouge. Diplomatic relations with the United States was restored in 1993 following general elections, and trade agreements were signed in 1994. Cambodia-U.S. trade, most of which are imports of U.S. goods, is worth a mere $8 million a year. Therefore, many proponents of the bill in the U.S. Congress hoped granting MFN status to Cambodia will promote bilateral trade. This also will futher facilitate Cambodia's reconstruction and development efforts. It certainly is a great pleasure for us to get this MFN status from the United States.

A U.S. embassy official in Phnom Penh said as Cambodia's exports are minimal, the renewal of MFN status, when everything is in place, will not affect bilateral trade at first. For example, its exports to United States were worth only about $1 million. However, he said with MFN, duties are reduced on imports and exports and this will encourage more U.S. firms to do business here. In the past, our country made enormous profits from its huge exports to the United States, and it hopes that more capital will pour in. This will greatly improve our economy.

If the U.S. Senate decides to give MFN status to Cambodia, many jobs will be created for Cambodians. That is what we really want. It is a good sign, a good policy to rebuild Cambodia on the correct path. We are very pleased with this news.

Moreover, in granting unconditional MFN status, the U.S. Senate's Finance Committee has frustrated the dirty schemes of some politicians who have made all-out efforts against giving this important economic privilege to Cambodia. These unrealistic politicians have tried their best to prevent the U.S. Senate from doing this, and had demanded that conditions be set if Cambodia if this were done. They have attempted to use this issue to heap all blame on the Royal Government. If they had succeeded, they would launch all kinds of attacks on the Royal Government, ignoring the fact that the Cambodian people would be the the victims of their actions.

Second Prime Minister Samdech Hun Sen reiterated United States is responsible for granting MFN status to Cambodia as it had promised to do so.

The status is not for any individual. The Cambodian people as a whole will benefit from these privileges. Therefore, this is one of Cambodia's great historic victories. By giving unconditional MFN status to the Cambodian people, the United States is doing justice to their struggle for survival, freedom, and democracy.

Cambodia: Ranariddh Pledges To Respect Constitution

BK1605125496 Phnom Penh National Radio of Cambodia Network in Cambodian 0500 GMT 16 May 96

[Speech by First Prime Minister Prince Krompreah Norodom Ranariddh at the inauguration of an auditorium at the Phnom Penh Faculty of Medicine, Pharmacy, and Dentistry on 16 May — recorded]

[FBIS Translated Excerpt] [passage omitted on Ranariddh's remarks on the usefulness of the auditorium] Of late, communications infrastructures, school buildings, hospitals, and houses have been destroyed and the people's lives have been threatened or have been lost once again. Putting things bluntly, we are not yet in total agreement about national unification and reconciliation — which are the fruits of the Paris accord — for the sake of Cambodia's peace in keeping with the initiative of our sacred king, His Majesty Norodom Sihanouk Varaman of Cambodia. For this reason, I have repeatedly called on the people from all social strata, including Buddhist monks, public servants, the Khmer Royal Armed Forces, the Royal Police, students, peasants, and businessmen, to exhibit fortitude, nonviolence, and understanding by painstakingly joining forces to build up solidarity, help each other, and unify our Cambodian nation as a whole within the Kingdom of Cambodia, where mutual trust exists on the basis of nonpartisan and nonpolitical discrimination and neutrality. We should cooperate in good faith in the process of rehabilitating and rebuilding our country, making it develop as in the Sangkum Reas Niyum era of our king father, king grandfather, and king great grandfather. [applause]

We can solve our own problems and deter outside attacks only when our Cambodia is strong, that is, when Cambodians have confidence in themselves and love each other, because nobody loves the Cambodians more than the Cambodians themselves.

Moreover, I and the entire FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] party will always continue our efforts to adhere to the national reconciliation and unification spirit of the Paris accord and respect the Constitution, which is the state's supreme law, in conformity with the august initiative of His Majesty, our sacred king, until the end of our lives. This is for the sake of Cambodia's peace, existence, and lasting prosperity. [passage omitted]

Cambodia: Ing Huot Criticizes Press for Creating 'Confusion'

BK1605073396 Phnom Penh REAKSMEI KAMPUCHEA in Cambodian 16 May 96 p 12

[Unattributed report]

[FBIS Translated Text] Ing Huot, minister of foreign affairs and international cooperation, angrily said that the current political situation in Cambodia is not complicated at all, that is, everything is proceeding smoothly and harmoniously. If the situation is found to be distressing, it can be attributed only to the unfounded rumors and speculations of some journalists who are irresponsible for what they write and publish.

Continuing to blame journalists, Ing Huot stressed: The insecurity or political instability problems in Cambodia were spawned by journalists who talked too much, thereby causing confusion in the country. In fact, nothing wrong has happened at all.

Ing Huot added that despite the absence of Prince Krompreah Norodom Ranariddh, FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] and Cambodian People's Party [CPP] officials, such as himself, continue to work side by side in the coalition government, without exception. So, the government remains stable and FUNCINPEC and the CPP continue to maintain their ties, standing shoulder to shoulder in national reconstruction and development.

Ing Huot added that investors and politicians alike should not believe too much in rumors. The visiting Malaysian foreign minister himself has witnessed the real political situation in the Kingdom. Abdullah bin Haji Ahmad Badawi said Cambodia has political and economic stability, and promised that he would continue to encourage Malaysian investment in this country.

Ing Huot made these remarks to journalists at the Foreign Ministry in the morning of 14 May.

Cambodia: Khmer Rouge on FUNCINPEC Rehabilitation

BK1705032596 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 2330 GMT 14 May 96

[Interview with In Sopheap, minister of immigration of the Provisional Government of National Union and National Salvation, by an unidentified station correspondent; place and date not given — recorded]

[FBIS Translated Text] [Correspondent] My greetings to Your Excellency. As the two-headed smokescreen has already dissipated, only the Hun Sen head is left in the open. Is the situation bad or good, detrimental or beneficial, to communist Vietnam, the communist party of the communist Vietnamese puppets Hun Sen and Chea Sim, FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia], and the alliance?

[In] Yes, the one head still left of the two heads is the head of communist Vietnam's out-and-out puppets. It is very dangerous for communist Vietnam and its puppets. This can be seen very clearly through the following: There are two heads but they falsely claim that there is a multiparty coalition government and they relentlessly ask for money from the alliance to serve the communist Vietnamese strategy of swallowing up Cambodia. Since only one head is left, what is the reason for the West continuing to give money to communist Vietnam and its puppets? Without the aid, can communist Vietnam continue to wage war and occupy and kill Cambodia? While waging war, the National Assembly, government, officials, soldiers, and policemen receive salaries from the communist party led by Hun Sen and Chea Sim. At present, ninety percent of the officials, soldiers, and policemen are known to be from the puppet party.

Where do the salaries come from? They are all from the West. Not even a single riel [Cambodian currency] is from Hanoi. Not only is Hanoi penniless, but it also owes other countries billions of dollars. It has no way of paying this, but pitifully begs people for more aid. The people in the West thought that their governments took the money they have paid as taxes to help miserable Cambodia promote capitalism, free markets, democracy, freedom, and so on as they claimed in their propaganda, but now they have seen that their money, amounting to billions of dollars, has been used to help communist Vietnam continue fanning the war, which is supposed to have ended in 1993, for three years. They continue to wreak havoc on and cause sufferings to the innocent Cambodian people. The money of these people has been used to feed Ho Chi Minh's communism in Cambodia and the fascist troops and policemen who have killed and arrested FUNCINPEC and His Excellency [H.E.] Son Sann's party and discard the overseas Cambodians, who are their friends. Will they allow their government to continue acting in this manner? Will they vote for the government that uses money that is their sweat and blood to waste in the flames of a most unjust war and to feed the late Ho Chi Minh's communism? As the only head of communist Vietnam is left, further aid will not be given. This is why communist Vietnam and its puppets are painstakingly attempting to preserve the two heads at all costs.

How crucial is the issue for communist Vietnam and its puppets? And how panic-stricken have they been since FUNCINPEC announced that it would withdraw from the two heads if local power is not shared according to the 1993 election results, and since His Majesty decided not to return to Cambodia? However, they reacted swiftly by threatening to use military force to destroy various people. They are very scared of being left as one head. This weakness is not an ordinary matter; it is a matter of life-and-death. One wonders whether FUNCINPEC and the alliance, who are already aware of this issue, will join forces to defeat them once and for all. If the two heads are terminated, they will definitely win.

[Correspondent] Yes, the FUNCINPEC forces have already been utterly destroyed by communist Vietnam and its puppets; but Your Excellency has said that FUNCINPEC could win should it withdraw from the two-headed puppet regime. Could you elaborate?

[In] On this point, I wish to stress that in fact there has been no coalition government under a co-premiership or monarchist regime since the invasion and occupation of our country by communist Vietnam at the end of 1978. There has been only the communist Vietnamese regime called the People's Republic of Kampuchea, and later the State of Cambodia. That state has continued to exist although its name has been changed into the Kingdom of Cambodia.

What about UNTAC [UN Transitional Authority in Cambodia]? It is totally communist Vietnamese. It trampled upon the Paris October 1991 accord, which is the implementation of the agreement reached in 1990 by then U.S. Secretary of State James Baker and Soviet Foreign Minister Shevardnadze. UNTAC organized elections in an irresponsible manner by preserving the same communist Vietnamese regime and joined others to continue the war with the aim of getting rid of Democratic Kampuchea, thereby terminating the struggle conducted by the Cambodian nation and people completely.

Nobody is suspicious about the issue of having one or two heads. His Majesty has clearly stated that only Hun Sen is in existence. FUNCINPEC is only the shadow of communist Vietnam's head, but bogus long-nosed priests have claimed that the coalition and the two heads have existed. One wonders whether FUNCINPEC, H.E. Son Sann's party, and the forces of the West have benefited or lost in this case. I do not want to talk about wretched and broken persons like Ieng Muli and Sieng Lapresse, who devour everything, including bread and communist Vietnamese excrement.

Talking about FUNCINPEC and H.E. Son Sann's Buddhist Liberal Democratic Party [BLDP] — another national force — we have seen that they have suffered the most serious losses. Their political influence has dissolved; their people have scattered; their canvassers, members, sympathizers have been killed, jailed, or forced to flee from their home villages; and their leadership has broken up. For instance, H.E. Sam Rangsi and Prince Sirivut have already been dismissed. This is because they were associates of the communist Vietnamese puppets, rubbing shoulders with them and putting money in their bags. The communist Vietnamese puppets took all their money, then strangled their necks until their tongues came out. They have tried to free themselves only after everything had gone.

This is what you have said in your question about the FUNCINPEC force having been destroyed completely by communist Vietnam and its puppets.

Nevertheless, we think that the force can be rehabilitated, providing FUNCINPEC stops allowing itself to be combined as the two heads. Why? Because the present conflict has already become extremely acute and everyone can no longer remain patient. The people in the countryside, cities, and even Paris, Washington, Canberra, Canada, and other places have all struggled. In Phnom Penh particularly, the masses such as workers, bricklayers, cyclo drivers, students, public servants, teachers, professors, intellectuals, and so on are looking for an opportunity to destroy communist Vietnam's out-and-out lackey Hun Sen, be it he himself or his regime.

Communist Vietnam and its puppets are not that powerful in Cambodia. They have encountered all kinds of difficulties. Their key factor, which is the military one, has also been dissolved after they were defeated in their recent biggest campaign. They used troops gathered from all over the country; weapons, such as cannon, tanks, planes, and supplies in stock; and money from all the bank coffers as a bet for the campaign they called the final one. This kind of campaign had been carried out in cooperation with the alliance since the 3d dry season, after the two heads were combined. They have now totally lost their final bet. So, if the two heads disappear and if money is no longer given, will they not die? This is FUNCINPEC's upper hand. FUNCINPEC's role is to chop and kill the two heads.

Is is further asked: If they die, who will win? It is our entire nation. The war will end and peace will be restored. Moreover, the king's status will be fully restored because the monarch of the Kingdom of Cambodia is the father of the Cambodian nation. The (?name 'Sihanouk' will be harmonious) in the international arena. FUNCINPEC will retakes the state power which has been its own since 1993 and which has been robbed by communist Vietnam and its puppets through the process of combining the two heads.

[Correspondent] What about the Western superpowers?

[In] The answer to the previous question has mostly answered this question; so, now I wish to recall only some points as follows:

1. For three years, since the merging of the two heads, the Western superpowers have incurred serious losses. All of their forces have been destroyed by communist Vietnam and its puppets and thousands of millions of their dollars have been wasted. The alliance and the United Nations, whose names have been besmirched, are still unable to get mobile and come into Cambodia; communist Vietnam has taken everything.

2. The war in Cambodia continued by the alliance and its two-headed instrument and communist Vietnam is a smoldering bonfire in this region. It is very dangerous because it is not known when it will spill over.

3. The old method — the James Baker-Shevardnadze strategy — to get rid of Democratic Kampuchea cannot solve the tangled conflict in Cambodia. Everyone has already seen this. The neighboring countries in ASEAN and Asia and the West itself have also seen this. What could not be seen three years ago can now be seen clearly after their defeats in the first and second, and now this third, major dry-season campaigns and after the two heads' political defeat has come into the open.

Since the old method cannot be used, it is asked: Do other methods exist? Yes. They exist and are all easy, compared with the old ones, that is, the two heads should not be further combined and the Western-backed forces, especially the FUNCINPEC force, should be rehabilitated. How can the superpowers rehabilitate the forces? They should empower FUNCINPEC in the assembly, the government, the judicial branch, all the ministries, and the provincial, district, communal, and village administrations from top to bottom according to the results of the 1993 elections — it was FUNCINPEC that won, not the Hun Sen-led communist party — or at least, the power should be equally shared.

Can they ask back the power for FUNCINPEC? We say: yes. Why? Because, as I just said, communist Vietnam and its puppets in Cambodia are not powerful at all. They are very weak, especially since their final campaign was defeated. Their lives only remain as a hair that still clings to the West. Should the weapons and money be used to point at their necks, they will give away everything. They have no other alternative.

Tackling the problem by giving power to FUNCINPEC, as mentioned previously, will enable the FUNCINPEC force to be rehabilitated and enable the Western superpowers to maintain their presence and roles and promote their political, economic, strategic, and other interests in Cambodia.

It is asked: In doing so, will the West have anything to worry about Democratic Kampuchea?

I would merely ask this question in return: Should the West worry about discarding communist Vietnam's regime and Ho Chi Minh's Indochinese federation regime in Cambodia; about organizing a state, a national assembly, a government, and a judicial branch truly belonging to the Cambodian nation and people; about organizing a democratic, multiparty, and parliamentary regime by allowing the Cambodians to decided their destiny themselves; about organizing a market regime; and about making Buddhism a state religion but allowing for freedom of religion? These are the objectives of the struggle conducted by Democratic Kampuchea as well as our nation and people throughout the country. Does this have anything to do with socialism or communism? What does the West regard as their proper interests? Who are their enemies?

However, there is another most concrete and urgent question: Will the West decide to rehabilitate its forces, especially the FUNCINPEC force, or kill them? Will it want to continue walking along the old path and persist in establishing the two heads for the second time? It is up to it. Nevertheless, we have firmly grabbed our aforementioned goal. Having struggled for 17 years, we have already clearly seen our shore. We have no illusions. We are striving to paddle in order to reach the shore quickly.

Indonesia

Indonesia: General Gives Briefing on Irian Jaya Hostage Rescue

BK1605140096 Jakarta Radio Republik Indonesia Network in Indonesian 1200 GMT 16 May 96

[FBIS Translated Text] Listeners: We will now broadcast an official briefing by Lieutenant General Suyono, chief of the ABRI [Armed Forces of the Republic of Indonesia] General Staff, on the operation to free the hostages held by the Irian Jaya GPK [security disturbance movement] since 8 January. Correspondent Joko Saksono reports:

[Begin recording] [Saksono] Lt. Gen. Suyono briefed foreign and Indonesian reporters at the Halim Perdanakusumah Airport a while ago in conjunction with the end of the hostage crisis in Irian Jaya. The following is Lt. Gen. Suyono's news briefing:

[Suyono] As you know, the hostage drama started at 1000 on 8 January 1996 in Mapnduma, Wamena District, Irian Jaya Province and ended at 0925 on 16 May. To avoid any confusion, ABRI decided to hold this news conference to give details of the operation to free the hostages, which indeed required a long period of time.

It is clear from previous briefings that the ABRI had adopted a persuasive approach to freeing the hostages. In fact, the abductors were fellow countrymen who misunderstood our existence as a nation and therefore took the wrong course of action. We were also aware that we had to be very careful in dealing with the hostage issue because several foreigners were among the hostages. When persuasive means failed to free them, however, the ABRI had no choice but to launch a special military operation — the final, inevitable, and risky option.

Before I begin a chronological account of the hostage rescue operation that began on 9 May, let me extend my deepest gratitude on behalf of the ABRI leadership to all groups who assisted the efforts to free the hostages, especially the churchmen, missionary groups, community leaders, tribal chiefs, the International Committee of the Red Cross [ICRC], Freeport Co. Ltd., and all related agencies.

Now I will present the chronological details:

1. Twenty-six members of the Lorentz research team were taken hostage by the Irian Jaya GPK led by Kelly Kwalik and Daniel Yudas Kogoya on 8 January 1996.

2. Nine hostages were released on 12 January following talks mediated by local churchmen and missionary groups.

3. Frank Momberg, a German national, was released on 15 January.

4. Two more hostages, Ola and her child, were released on 16 January.

5. Another hostage named Yakobus Wandeta was released on 21 January.

6. The ICRC began to its effort to free the hostages on 7 February after the GPK abductors refused to deal with local churchmen as mediators.

7. Another hostage named Zakhias Wandeta was released on 10 February following the ICRC's mediation.

8. After a month of talks, another hostage named Abraham Wanggai was released on 15 March.

9. The ICRC was unable to continue the mediation and decided to withdraw as mediator on 9 May.

10. In response to this situation, the ABRI, which had always adopted a persuasive approach, decided to enlist the assistance of local churchmen and community leaders to free the hostages through persuasive means.

11. Having carefully considered all options, the ABRI launched a special military operation on 9 May. In an ambush on 15 May, ABRI forces managed to free nine hostages. At 0950 on 16 May, the ABRI forces pursuing the GPK abductors found two dead hostages with stab wounds in their bodies.

The following procedure will be taken for the hostages. The hostages, including the dead ones, will be brought to Jakarta today. They are scheduled to arrive at Jakarta's Halim Perdanakusumah Airport this evening. The freed hostages will have physical and mental examinations in Jakarta. As for the dead hostages, the remains will be kept at the Gatot Subroto Hospital mortuary and will be delivered to the Forestry Department tomorrow and then to their family members. People are wondering why the Forestry Department is involved in this issue. This is because it was the agency that issued the permit to the Lorentz research team.

As for the foreign hostages, they will be handed over to the British and Netherlands ambassadors at the Gatot Subroto Hospital by the secretary general of the Foreign Affairs Department.

Let me repeat here that the ABRI will hand over the hostages to the relevant agencies because the ABRI was involved in the hostage rescue operation. The Indonesian hostages will be handed over to Forestry Department officials who will hand them over to their families, while foreign hostages will be handed over to Foreign Affairs Department officials who will hand them over to the British and Netherlands ambassadors.

In this connection, I need your assistance as journalists to disseminate this information to the public in a proper and clear way.

[Saksono] That was Lt. Gen. Suyono's full briefing to Indonesian and foreign reporters, who had been waiting for the briefing since 0600.

Listeners, we are still waiting for the hostages, who are scheduled to arrive at Halim Perdanakusumah Airport this evening. Upon arrival, they will receive treatment at the Gatot Subroto Hospital in Jakarta. [end recording]

Indonesia: Further on General's Briefing on Hostage Rescue

BK1605151096 Hong Kong AFP in English 1349 GMT 16 May 96

[FBIS Transcribed Text] Jakarta, May 16 (AFP) — Separatist rebels hacked to death two Indonesian hostages as they fled troops who freed four Britons, two Dutch nationals and three others who had been held for four months, a senior officer said Thursday.

Lieutenant-General Suyono said eight rebel fighters were also killed but the two hostages were found dead with "slash wounds" after Wednesday's operation in the dense jungles of the remote eastern province.

The hostages — Britons Daniel Start, 21; William Oates, 22; Annette van der Kolk, 21; and Anna McIvor; and Dutch nationals Mark Van Der Wal, a World Wide Fund for Nature (WWF) official, and Martha Klein, a UN Educational, Scientific and Cultural Organisation (UNESCO) environment official — were flown to Jakarta on Thursday night. The three Indonesians were with them.

Reporters were not allowed to see the hostages at Jakarta Halim Perdanakusumah airport where they were met by the British and Dutch ambassadors.

They were all taken to the Gatot Subroto military hospital for checkups.

Suyono, head of the general staff, told a press briefing in Jakarta that troops had fought around 20 Free Papua Organisation (OPM) fighters and around 200 tribesmen armed with spears, machetes and arrows.

Suyono said Klein, who is eight months pregnant, was wounded in the hand by a spear during the operation to free the final 11 hostages from 26 people abducted on January 8.

Suyono said eight hostages were freed after initial fighting in the mountain jungles of central Irian Jaya. About an hour later, troops found McIvor who had escaped from the OPM. She told soldiers that Navy Panekenan, 28, and Yosias Mathias Lasamahu, 30, had been hacked to death.

Suyono said eight rebels were killed and two were captured alive. He said only six of the 20 rebels appeared to have firearms.

The military flew around 500 troops, including 100 members of the special Kopassus force into the zone.

"The rescue operation has ended but the pursuit will continue," Suyono said.

Asked whether he believed the rescue operation was a success, he replied "we have (achieved) at least 80 percent of our criteria."

"There was no other way than to go ahead with this special operation. It could not be avoided, even though it had its risks," Suyono said.

He said on Friday the Indonesians would return to their families and the foreigners go to the British and Dutch embassies.

The commander of Kopassus unit, Brigadier-general Prabowo Subianto, in Timika, Irian Jaya, said the dead rebels were being identified to see whether OPM leaders Kelly Kwalik and Daniel Kogoya were among them.

Kwalik and Kogoya led the OPM group that kidnapped the 26 people in Mapnduma. They had released 15 hostages — one German and 14 Indonesians — before Wednesday's attack.

Subianto gave no details on the fate of the captured rebels.

The rebels, according to Subianto, "tried to kill all the hostages but thanks to the swiftness of the military in the surprise operation, the rebels did not have time to kill them all."

The official Antara agency earlier quoted Suyono as saying no shots were fired and no lives lost in the military operation. He said soldiers first found six abandoned hostages and traced another three four hours later.

The military operation was launched after the International Committee of the Red Cross (ICRC) last week gave up attempts to negotiate the release of the hostages.

The OPM has been fighting for an independent Melanesian state in Irian Jaya since the late 1960s. Throughout the hostage drama, the OPM has demanded recognition of an independent West Papua state.

The freed Indonesians were working with the Britons on a scientific expedition organised by the WWF.

Indonesia: Military Operation Against Kidnappers Praised

BK1705091296 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 17 May 96

[FBIS Translated Text] Dear listeners: In a military operation, the Armed Forces of the Republic of Indonesia [ABRI] finally succeeded in releasing the hostages held by the Irian Jaya security disturbance movement [GPK] since January. We consider the military operation to have been most successful because there were no casualties among the ABRI personnel or the hostages except two who were believed to have been killed for resisting their GPK kidnappers. The ABRI personnel also shot dead eight Irian Jaya GPK members and captured two others alive during the military operation.

The ABRI's success in releasing the hostages has been recognized by the international community, particularly countries whose citizens were held by the Irian Jaya GPK. For example, the Netherlands and British Governments, represented by their ambassadors in Jakarta, hailed the military operation successfully launched by the ABRI and expressed their gratitude over the release of their citizens, who were members of the Lorentz '95 expedition team. Meanwhile, UN Secretary General Butrus Butrus-Ghali on Wednesday welcomed the release of the nine hostages, including a UNESCO official, who had been taken hostage by the Irian Jaya GPK for four months.

Indeed, the military operation launched by the special ABRI forces showed that the ABRI was fully responsible for securing the release of the hostages in Irian Jaya after the International Committee of the Red Cross [ICRC] failed in its humanitarian mission to free them. The ABRI in fact had no intention to launch a military operation to secure the release of the hostages because the ICRC was entrusted with carrying out the mission. Nonetheless, the ABRI was forced to launch the military operation after the Irian Jaya GPK kept breaking its promise to release the hostages held since 8 January 1996. The ABRI's military operation to release the hostages was concrete proof of its consistent policy of upholding humanity and justice in Indonesia. The repressive action was taken because the persuasive approach had failed.

Perhaps the military operation launched by the special ABRI forces to release the hostages held by the Irian Jaya GPK is also a warning to members of other security disturbance movements in Indonesia not to try to undermine national sovereignty. The ABRI will take firm action if any cases coming to the surface undermine national stability and security.

That has been the commentary.

Philippines

Philippines: APEC To Meet on Customs Procedures, Other Issues

BK1605125296 Manila PNA in English 1225 GMT 15 May 96

[Received via Internet]

[FBIS Transcribed Text] Cebu City, May 15 (PNA) — Strategies to simplify customs procedures and hasten the free flow of goods and capital in the Asia-Pacific region are topics lined up for the APEC committee meetings that will unfold at Shangri-la Island Resort on May 17 to 25.

APEC representatives from Malaysia, Singapore, and Hong Kong arrived Tuesday for the forum.

Among the delegates were Hong Kong Assistant Commissioner Michael Chik and his wife, Rebecca.

The Philippine delegation to one of the committee meetings headed by Trade and Industry Assistant, Secretary Edsel Custodio, will arrive Thursday, according to DTI [Department of Trade and Industry] acting regional director Alberto Gumarao.

An information and assistance center is set up on the second floor of the newly-completed domestic terminal of the Mactan-Cebu International Airport to assist APEC representatives.

The center is furnished with new sofas, chairs, and tables filled with magazines containing information on Philippine businesses.

Work is being rushed to asphalt roads going to the venue of the conference at the Shangri-La's Mactan Island Resort.

A total of 11 APEC meetings will be held there.

The forum in Cebu will kick off with the Experts Group Meeting on MRA's [expansion unknown] on Food Products on Friday, May 17.

The subcommittee on customs procedures, which is under the Committee on Trade and Investments (CTI), will meet on May 17 to 19 to continue efforts to harmonize and simplify customs procedures of the 18 APEC economies.

The CTI Tariff Database Task Force will meet on May 18.

This group has been tasked to set up a database in CD-ROM on the current tariffs and tariff-related information from all APEC economies.

The CTI Subcommittee on Standards and Conformance (SCSC) is scheduled to meet on May 18 to 19.

This group works in four major areas: greater alignment of members' standards; closer liaison and cooperation with relevant regional and international standardization bodies; mutual recognition of conformity assessment arrangements; and development of technical infrastructure.

The CTI, one of the major committees of APEC, will meet on May 20 to 21. Other major committees are the Budget and Administrative Committee and Economic Committee.

Other related meetings are: Experts Group on Government Procurement, May 19; Task Force on 1996 Medium-Term Economic Outlook, May 19; Task Force on Annual Report on APEC Economic and Technical Cooperation, May 20; APEC Action Reporting and Monitoring System Workshop, May 20; and Infrastructure Workshop, May 20.

To cap off these meetings is the Second Senior Officials Meeting (SOM II) on May 22 to 25.

The first SOM was held in Manila in February this year.

Other SOM's will be held in August and October this year.

The results of these meetings will constitute the SOM report to the APEC ministerial meeting in Subic in November this year.

This year's SOM's are expected to follow up work on the action plans for the 28 areas identified in the Osaka Action Agenda which was adopted by APEC ministers last year.

Detailed action plans of each of the 18 economies will be reviewed during the ministerial meeting in November and will constitute the Manila Action Plan.

Philippines: Senate Plans To 'Slash' Proposed 1997 Budget

[96P30173A Manila BUSINESS WORLD in English 2 May 96]

[Received via Internet]

The Senate will slash the proposed P476.2-billion budget of the National Government for 1997 due to the Executive's alleged inability to improve revenue collections.

Sen. Ernesto Maceda, chairman of the finance committee, yesterday said the government should not be asking for a bigger appropriation for next year since it is already having difficulties funding the present budget.

He said the body will not be as generous as it was when it approved the 1996 budget. The government is having a hard time collecting revenues that it has started to impose bigger reserve requirements from the different departments. [sentence as received]

Congress approved a P421.3-billion budget for this year. However, the Executive which used to require a 5% savings from its agencies has reportedly increased that requirement to between 10% and 30%.

Mr. Maceda points to the government's lackluster performance in revenue collection as the culprit behind its difficulty to finance the present appropriation. That's why it (government) has turned to Congress for the approval of tax measures.

He said the government's money problem is not due to a narrow revenue base but a limited collection base. There is too much corruption in the Bureau of Internal Revenue (BIR).

For example, he said information reaching his office claims the lawyer-husband of a BIR official handles cases with the agency. This is not a proper practice because one can always think there's something wrong going on.

The 1997 budget proposal, 11.3% higher than this year's appropriation, was based on a projected revenue of P485.2 billion. The figure has been scaled down from the original P430 billion because of the implementation of tax incentives and reforms.—Jemileen U. Nuqui

Philippines: Manila Tightens Security at Major Ports of Entry

BK1705090696 Manila MANILA BULLETIN in English 17 May 96

[Report by Jun Ramirez — received via Internet]

[FBIS Transcribed Text] Foreign criminals will have more difficulty entering the country because of tighter security measures now being employed by the Bureau of Immigration (BI) to screen and monitor foreign arrivals in the country's major ports of entry, BI Commissioner Leandro I. Verceles said yesterday.

Verceles said that aside from implementing stricter security measures, the bureau is now getting the necessary cooperation from other law enforcement agencies involved in the campaign against wanted foreign criminals.

The BI chief disclosed that there is a better coordination now between the BI and the intelligence communities, including international police agencies and foreign embassies, through the continuous exchange and sharing of information regarding suspected members of international crime syndicates.

"If ever they attempt to sneak into our borders, they can only do that, perhaps, by entering through our backdoors, but that would still be difficult in view of the increased vigilance of our Philippine Navy and Coast Guards," Verceles said.

He admitted that in previous years, some undesirable aliens managed to slip into the country because of laxed enforcement of immigration rules and poor coordination among different law enforcement agencies.

He said it was the terrorist scare which swept the country last year that apparently prompted the concerned government agencies to put their acts together in seriously addressing the security threat posed by the presence of undesirable foreigners.

Verceles said that the BI had already blacklisted more than one thousand foreigners suspected of involvement in major crimes like drug trafficking.

The bulk of the information about the names and background of these aliens were supplied by other intelligence agencies, like the National Intelligence and Coordinating Agency, the Armed Forces, the National Bureau of Investigation, the International Police, and the different foreign embassies based in Manila.

Meanwhile, Verceles threatened to arrest and deport some 1,400 foreign students for their failure to extend their visas.

He said the BI's immigration regulation division, headed by Reynaldo Joson, had furnished him with the list of foreigners who did not extend their student visas for the incoming school year 1996-97.

Verceles directed his intelligence agents to locate and apprehend the foreign students as they are now considered overstaying aliens.

He said he will also inform the foreign embassies concerned to solicit their cooperation in locating and convincing these students to renew their visas.

Korean and Pakistani students comprised the bulk of the overstaying foreign nationals.

Thailand

Thailand: PRC's Zhu Rongji Comments on U.S. Trade Sanction

BK1705104696 Bangkok PHUCHATKAN in Thai 17 May 96 pp 1-2

[Unattributed report]

[FBIS Translated Excerpt] PRC Vice Premier Zhu Rongji arrived in Thailand yesterday at the invitation of Thai Deputy Prime Minister Dr Amnuai Wirawan. The Thai deputy prime minister hosted a dinner reception for the visiting PRC vice premier and his delegation, which is comprised of ministers and high-level officials from China. Many leading personnel in the Thai private sector attended the function. They included Thanin Chiarawanon of the Charoen Phokkhaphan Group, Anan

Panyarachun of the Saha Union Group, and Chatsiri Sophonphanit of the Bangkok Bank Group.

After the dinner, Zhu Rongji, PRC vice premier in charge of economic affairs, talked to reporters about the United States' announcement to impose trade sanctions against China by setting a tax barrier limiting the import of Chinese textile products and ready made garments to a total value of U.S. $3,000 million. He said that China sees no reason for such retaliation by the United States or for the accusation that China has violated intellectual property rights.

In this regard, the standard of China's intellectual property protection measures is the same as those in other countries. Many operators of factories that have violated copyrights have been arrested; but the United States says the number is not enough. He did not know how many would be enough in the eyes of the United States, Zhu said.

Zhu said that such U.S. action would force China to reciprocate in kind with regard to goods, to the value of U.S. $3,000 million. China may retaliate through telecommunications goods, IC circuit boards, or other kinds of products.

"In fact, I think that China does not have to list a large number of goods items on which China will impose sanctions against the United States, because if China merely imposed a ban on buying U.S. Boeing aircraft, that would be enough," Zhu said.

Zhu also said that he has learned from news reports that the consumers in the United States are not entirely happy with the U.S. measure because it will make them unable to buy quality goods at low prices from China. He said that while he was in Indonesia — before coming to Thailand — he was asked about the same issue, but he was not worried even though the sanctions would take place. The reason is that the implementation of trade measures is a matter that affects both sides. Although China wants a large market in the United States, he thought the United States wants the Chinese market more. He believed the sanction policy announced by the United States would only be a threat with the upcoming general elections in the United States in view.

Commenting on the merger of Hong Kong with China in 1997, he said the event would create more stability for Hong Kong. After the merger, the status of Hong Kong would remain unchanged. Should there be any change, it would be a constructive one.

Moreover, he said he had no worries about a monetary crisis because after the merger, the country's total international money reserves would reach U.S. $150,000 million, which would serve as a good reserve fund for use in solving various problems. In addition, Hong Kong would also be a good link for China and South Asia, he added.

Touching on the matter of relations with Thailand, Zhu said that Thailand has consistently been a good trading partner of China. The latest total trade volume between the two countries is $3.3 billion, and the figure is expected to improve in the future. It is noticeable that Thai businessmen investing in China have been fairly successful.

"During this trip I want to observe Thailand's avid involvement in the economic field and its ability to solve the problems related to poverty effectively. I would learn from the experiences of Dr Amnuai, because in my opinion Thailand's ability to control inflation is better than China's. I also wish Thailand could help China to borrow money from the World Bank," said Zhu.

In this regard, several Chinese ministers and high-level members of the entourage will have opportunities to further discuss and exchange views with their Thai counterparts on economic cooperation at the bilateral and regional levels.

On the problem between China and the United States, Thai Deputy Prime Minister Dr. Amnuai said that Thailand would not take a stand of supporting one or other of the countries, because Thailand does not want to see a trade war. [passage omitted]

Thailand: Premier Receives Chinese Vice Premier Zhu Rongji

BK1705104496 Bangkok Radio Thailand Network in Thai 0530 GMT 17 May 96

[FBIS Translated Text] Prime Minister Banhan Sinlapa-acha asked the PRC to look after Thai businessmen with investment projects in China. The prime ministerm, after meeting with Chinese Vice Premier Zhu Rongji at Government House today, reported that they discussed ties and cooperation between the two countries, especially on the Mekong River basin development project, and the prospects for Chinese investment in Thailand.

[Begin Banhan recording] We have investments in China worth some U.S. $3 billion. The Chinese vice premier, who has already visited Indonesia, told us that Indonesia, which has a population of 200 million, has about the same volume of investment in China. This means our investment potential is quite good. We want more cooperation from the Chinese private sector. We also told them that, the Board of Investment is in the process of setting up a body to oversee Thai businessmen having joint investment ventures in foreign countries. [End recording]

Vietnam

SRV: Commentary Praises Clinton Repeal of 'Combat Zone' Status

BK1605121896 Hanoi Voice of Vietnam in English 1000 GMT 16 May 96

[Station commentary]

[FBIS Transcribed Text] U.S. President Bill Clinton on Tuesday signed the ending of the American classification of Vietnam as a combat zone. The order comes into effect as of 30 June, 21 years after American troops were withdrawn from South Vietnam. Our commentator has the following comments:

The decision is a new peak in bilateral relations between Vietnam and the United States after nearly a year since the United States restored the normal diplomatic relations with Vietnam. President Clinton's statement back then is still fresh in people's mind when he said: We will look to the future. There remains much less to be done and we will restore normal relations of trade with Vietnam. A new opening economy and integrate the economy into the Asia-Pacific. [sentence as heard]

That statement by the U.S. President has gradually come true. This latest decision by him to not classify Vietnam as a combat zone any more contributes to closing the past and gradually healing the wounds of war. The order allows the Washington administration to end its financial payment to families of Americans missing in action during the Vietnam War and to those who are searching for the remains of their relatives.

The United States and Vietnam have been drawn closer together with the opening of the American Chamber of Commerce in Hanoi in early April and the visit to Vietnam by U.S. commerce secretary. The latter discussed ways to promote bilateral trade relations, advanced the signing of trade and other agreements, serving as a leading foundation for the development to Vietnam-U.S. relations.

Comprehensive cooperation between Vietnam and the United States is not only for mutual benefit but for peace, stability, and prosperity in the region and the rest of the world.

SRV: Spokesman Denounces PRC Statement Claiming Paracels

BK1605154696 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 16 May 96

["Statement" issued by the Foreign Ministry spokesperson; place, date not given]

[FBIS Translated Text] On 15 May 1996, together with the ratification of the UN Convention on the Law of the Sea, the Standing Committee of the PRC National People's Congress issued a statement reiterating Article 2 of the Regulation on PRC Territorial Waters and Contiguous Areas issued on 25 February 1992. At the same time, the PRC Government issued a statement on the base line [duwowngf cow sowr], including regulations on the base line of Vietnam's Paracel Archipelago, called Xisha by China.

On this issue, the SRV spokesperson declares:

1. Article 2 of the Regulation on Territorial Waters and Contiguous Areas issued on 25 February 1992 stipulating that the PRC's territory includes Vietnam's Paracel and Spratly Archipelagoes violates Vietnamese sovereignty. The 4 March 1992 diplomatic note sent by the SRV Foreign Ministry to the PRC Foreign Ministry to protest this regulation clearly states that Vietnam has indisputable sovereignty over the Paracel and Spratly Archipelagoes and has full historical evidence as well as legal foundations to confirm its sovereignty over these archipelagoes.

2. China's delineation of the base line in the Paracel Archipelago is a new severe violation of Vietnam's territorial sovereignty and runs counter to international law.

3. The aforementioned regulations by the Chinese side relating to the Paracel and Spratly Archipelagoes are totally without legal value, unacceptable, and not beneficial to the development of relations between the two countries.

4. Vietnam once again affirms its sovereignty over the Paracel and Spratly Archipelagoes and asks all nations to respect its territorial sovereignty in accordance with international law. It is Vietnam's consistent policy that while striving to accelerate peaceful negotiations for a fundamental and long-term solution to disputes in the Eastern [South China] Sea, all concerned parties must exercise self-restraint, not further complicate the situation, and not affect peace and stability in the region.

SRV: Vice Minister Says Ties With PRC 'Going Up'

OW1605090196 Tokyo KYODO in English 0816 GMT 16 May 96

[FBIS Transcribed Text] Tokyo, May 16 KYODO — Vietnam will go ahead with its Doi Moi economic reform drive with the long-term objective of becoming an industrialized country by 2020, Vietnamese Vice Foreign Minister Vu Khoan said Thursday [16 May].

"We continue our policy of encouraging the growth of all economic sectors and enhancing the cost-effectiveness of the state sector, while facilitating the development of others," he said.

Khoan was speaking at a Tokyo international conference on the future of Asia hosted by the major economic newspaper NIHON KEIZAI SHIMBUN.

To achieve the objective, Hanoi plans to build a "relatively integrated market mechanism" by 2000, promote commodity and service markets, create labor, capital and stock markets, and carry out necessary enactment and amendments of economic laws, he said.

Vietnam needs 40 billion dollars, both from domestic resources and foreign assistance, over the next five years to sustain the targeted annual growth rate of 9-10 percent, the vice minister said.

Khoan praised the ongoing basic peace and cooperation in Asia, specifically mentioning his country's war-torn history, as a condition for economic development.

Asked after the speech about Vietnam's relations with China, he said the ties are "going up" through economic cooperation despite territorial disputes over the Spratly islands in the South China Sea.

SRV: Joint Working Group Meeting With PRC Reported

BK1605152196 Hanoi VNA in English
1440 GMT 16 May 96

[FBIS Transcribed Text] Hanoi VNA May 16 — At the eighth round of talks of the joint Vietnam-China working group on land border which took place in Beijing from May 6-11, the two sides exchanged views on related issues and made positive progress.

Minutes of the meeting was signed on May 10 in the presence of Chinese Deputy Foreign Minister (Wang Ying-fan) and Vietnamese Ambassador to China Dang Nghiem Hoanh.

Later, Chinese Deputy Foreign Minister (Wang Ying-fan) had a cordial conversation with members of the working group.

SRV: 13 Firms Sign Up for Operations in Industrial Park

BK1505073496 Singapore THE STRAITS TIMES
in English 15 May 96

[Unattributed report — received via Internet]

[FBIS Transcribed Text] Thirteen companies yesterday inked documents making them the first clients of the Vietnam-Singapore Industrial Park (VSIP).

Eight of them signed a memorandum signifying their commitment to setting up operations in the VSIP, while another five signed letters of intent indicating they will do so soon.

The eight were: Groupe Schneider. This French company produces automotive transfer switches. It will invest in a terrace factory that will assemble circuit breakers, with an investment capital of US$1.5 million (S$2.1 million).

Kerjaya Pte Ltd. This Singapore company manufactures gypsum wallboard. It will build and operate a plant at a total investment cost of US$17 million.

Liwayway Food Industries. The Philippine manufacturer of snack food will set up a US$6 million manufacturing facility on two hectares of land, and sell its products in Vietnam.

Maesawa Communication Industry Corporation. This Japan-based company produces items such as floppy disk drives. It will take up a terrace factory and manufacture electronic products. It will invest US$500,000.

Nihon Parkerizing Co Ltd. A Japan-based company which manufactures and sells metal surface treatment agents. Its detached factory will produce agents for the Japanese and Vietnamese markets. Investment capital: US$2 million.

MBT (Singapore) Pte Ltd. This Swiss company is part of the Sandoz Group and deals in construction chemicals and concrete. It will invest US$3.8 million in 0.72 hectares of land.

Star Chemical Manufacturers Pte Ltd. The Singapore firm produces paint products. It will set up a US$3 million plant over one hectare of land.

Tuk Tuk International Ltd. Shareholders include ST Automotive [STA] (Vietnam) Pte [Private] Ltd., a wholly-owned subsidiary of Singapore-based STA. It will invest US$4 million to assemble, market and distribute the three-wheeled tuk tuk vehicles.

The five companies are: 3M. The multi-product American company hopes to expand its manufacturing facilities in Vietnam. It is licensed to manufacture and sell electrical products.

Escatec Electronics (VN) Ltd. The Swiss company has premises in Ho Chi Minh City and wants to expand.

Godrej Singapore Pte Ltd. A subsidiary of an Indian company, it intends to manufacture steel office equipment.

HT Electrical Engineering Pte Ltd and Hwa Hup Metal Manufacturing Co Pte Ltd. These Singapore companies plan to assemble electrical switchboards in Vietnam.

Japan Storage Battery Co Ltd (GS Battery). It will produce batteries for automobiles and motorbikes.

SRV: Singapore's Goh Chok Tong at Ceremony for Song Be Project

BK1505040796 Hanoi VNA in English
1527 GMT 14 May 96

[FBIS Transcribed Text] Hanoi VNA May 14 — Prime Minister Vo Van Kiet and his Singaporean counterpart Goh Chok Tong attended a ground breaking ceremony for an industrial zone project in the southern province of Song Be this morning by the Vietnam-Singapore Industrial Park JV [joint venture] Co. Ltd. (VSIP).

Main activities of the VSIP joint venture are to build for sales infrastructure facilities of an industrial zone initially covering 500 ha in Binh Hoa, Thuan Giao, and An Phu communes, Thuan An District, Song Be Province. Investment capital for the first phase is USD 59.92 million, including USD 17.86 million in legal capital with the Vietnamese party contributing 49 per cent. The joint venture's term is 50 years.

Investors in the industrial zone will freely export and sell their products in the domestic market and provide services for domestic interests. The zone will be an ideal place for investors in consumer goods, power production, industries in support of production of accessories, automobile, machinery, packed foodstuff, drinks, and construction materials. After eight years, when the 500-ha industrial zone is completed, 50,000 jobs will be created and annual turnover will be more than usd 1 billion.

Addressing the ceremony, the two prime ministers highly valued the importance of the project and considered this one of the most important investment projects of Singapore in Vietnam, saying the success of the project will contribute to further promoting the friendship and cooperation between the two countries.

The two leaders also witnessed the signing ceremony for the construction of production establishments in the VSIP by 13 foreign companies.

Prime Minister Goh Chok Tong left Ho Chi Minh City this afternoon, ending his two-day working visit to Vietnam. He was seen off at Tan Son Nhat Airport by Ho Chi Minh City Mayor Truong Tan Sang, chairman of the people's committee of Song Be Province Nguyen Minh Duc, Deputy Foreign Minister Nguyen Dinh Bin, Vietnamese Ambassador to Singapore Nguyen Duc Hung, and others.

SRV: UMNO President Praises Country's Economic Development

BK1505035796 Hanoi VNA in English
1411 GMT 14 May 96

[FBIS Transcribed Text] Hanoi VNA May 14 — President of the United Malays National Organisation (UMNO) and the prime minister of Malaysia, Mr. Mahathir Mohamad, has received a delegation of the Communist Party of Vietnam (CPV) led by Hong Ha, secretaty and head of the External Relations Commission of the CPV Central Committee, recently in Kuala Lumpur for the 50th founding anniversary of UMNO.

Mr. Mahathir Mohamad expressed his belief that the friendship and cooperation between UMNO and the CPV, and between the two peoples would further develop, making a contribution to the building of a prosperous Southeast Asia. He highly valued Vietnam's achievements in economic development while maintaining political stability, and wished Vietnam to continue obtaining more achievements in its renovation process.

The UMNO president asked Mr. Hong Ha to convey his best regards to General Secretary Do Muoi and other party and state senior officials.

Mr. Hong Ha conveyed greetings from Party General Secretary Do Muoi and other Vietnamese party and state leaders to UMNO President Mahathir and other leaders of UMNO and Malaysian state. He informed President Mahathir of the preparation for the CPV eighth national congress. He expressed his pleasure at the constant development of the Vietnam-Malaysia relations, and highly appreciated Malaysia's valuable experience in national construction and management.

Also present at the reception were Anwar Ibrahim, UNMO first vice president and Malaysian Deputy Prime Minister Mohamed Rahmat, general secretary and head of the External Relations Commission of UMNO and Vietnamese ambassador to Malaysia, Hoang Nhu Ly.

The CPV delegation, together with 16 other delegations, on May 10 and 11 attended a mass meeting and a celebration ceremony at the independence great hall in Kuala Lumpur.

The delegation left Kuala Lumpur on May 12, concluding its five-day Malaysia visit.

SRV: India's Admiral V.S. Shekhawat Ends Four-Day Visit

BK1705033796 Hanoi VNA in English
1431 GMT 16 May 96

[FBIS Transcribed Text] Hanoi VNA May 16 — Chairman of the Committee of the Chiefs of Staff and naval chief of staff of India Admiral V.S. Shekhawat and his entourage left Ho Chi Minh City today, ending their four-day friendship visit to Vietnam.

Earlier the Indian guests were received by and held talks with General Doan Khue, defence minister, Senior Lieutenant General Pham Van Tra, chief of general staff.

They paid tribute to the late President Ho Chi Minh at his mausoleum and called at his residence and office.

They also made tours of the naval command, the command of the seventh military zone, the Army's museum, and some cultural and historical places.

SRV: Do Muoi Speech at All-Army Party Congress

BK1605125096 Hanoi NHAN DAN in Vietnamese 7 May 96 pp 1, 2

[Opening speech by Do Muoi, general secretary of the Communist Party of Vietnam, at the All-Army Party Organization Congress in Hanoi on 5 May]

[FBIS Translated Text] Dear delegates: On behalf of the Party Central Committee, I would like to convey to the delegates to the sixth All-Army Party Organization Congress, and through you, comrades, to all the cadres and combatants of the heroic Vietnam People's Army, my warm welcome and most cordial greetings.

During the past five years, our people have enthusiastically implemented the resolution of the Seventh National Party Congress, satisfactorily carried out the two strategic tasks of building and defending the socialist fatherland, and overcome numerous difficulties and ordeals to continue carrying out the renovation undertaking. We have recorded very significant achievements, extricated the country from socioeconomic crisis, and created conditions and strength to shift to the stage of accelerating national industrialization and modernization.

Against the background of very complicated changes in the international situation and numerous difficulties at home, our party has led and mobilized the people to integrate their efforts and intelligence to develop the socioeconomic situation. It has made great efforts to maintain and consolidate national defense and security, foiled all schemes and acts of "peaceful evolution" of the hostile forces, strengthened political stability, firmly protected national independence and sovereignty, and solidly maintained political security and social order and safety, thereby ensuring the foremost significant conditions for national construction.

Indeed, our people's armed forces and the Public Security Forces have made very significant contributions to these great achievements of our people. Our People's Army and the people's armed forces have recorded miraculous achievements in the war of liberating and defending the fatherland over the past several decades. You, comrades, are continuing to develop our gallant tradition in the cause of national construction and defense at present. You have striven to consistently implement Uncle Ho's teachings: "Be faithful to the nation and loyal to the people; strive to fulfill all tasks, overcome all difficulties, and defeat all enemies," to be worthy of the noble title of "Uncle Ho's soldiers" and to gain the confidence and love of our party, state, and people.

On behalf of all party members, I warmly commend the People's Army and heroic Vietnamese people's armed forces for their very great achievements.

Dear comrades,

While correctly appraising the achievements and the advantageous position, this All-Army Party Organization Congress and the contingent of high and intermediate-level cadres should seriously conduct self-criticism and criticism to clearly realize the prevalent shortcomings to formulate measures to overcome them.

Our party, state, and people earnestly hope and are confident that you, comrades, will consistently and firmly maintain the revolutionary characteristics and tradition of our People's Army, develop the advantageous points, resolutely overcome shortcomings, strive to fulfill your important duty in the new revolutionary stage of our nation, and together with people throughout the country strive to carry out the renovation undertaking for the objectives of a prosperous people, a powerful country, and an equitable and civilized society, thereby leading the country to firmly advance toward socialism.

Industrialization and modernization is the correct path to turn these lofty objectives into reality. It is the inevitable development of our nation on the path toward socialism, which is in conformity with the progressive trend of the current era. It is also the nucleus task for the immediate future and the next few decades, and our entire party, people, the armed forces, and the present and next generations must resolutely and triumphantly fulfill it.

Indeed, industrialization and modernization involve all internal and external domains ranging from economic, cultural, social, scientific, education, training, and national unity activities to national defense and security in all the regions and territorial waters of our nation. These tasks will help promote close coordination in the two strategic tasks of building and defending the fatherland.

The draft political report of the party Central Committee to be presented to the Eighth National Party Congress pointed out our advantageous position and great opportunity that should be developed and optimally exploited for industrialization and modernization. The draft report also clearly pointed out the four dangers that we must resolutely overcome and repel. These four dangers have an interrelated effect, none of which should be underestimated.

While striving to surge forward to overcome the danger of lagging behind economically, we must consistently and firmly maintain the socialist orientations both on the micro- and macro-scale in each step of the whole process of our development. All tendencies of separation and oversimplification; failing to combine immediate interest with long-term interest, local interest with that of all departments, and economic interest with politico-social results; and the existence of such phenomena as vagueness, loss of vigilance, dependence on others, and lack of steadfastness in protecting independence, sovereignty, and national characteristics will lead to immediate adverse consequences and latent dangers for the many future generations.

The entire party, all people, Army party organizations, and the people's armed forces, in particular, must realize more profoundly the relations between building and defending the nation; and they must also consistently and firmly maintain the concept of combining the two strategic tasks of building and defending the socialist fatherland.

Stemming from this profound awareness, and while designing a development strategy, our party has paid special attention to step by step formulating plans for protecting the nation, striven to enhance national defense capability, and ensured that our fatherland is always active in formulating strategies under all circumstances. This represents an iron-like determination drawn from the profound experiences of our people as well as the experiences of our friends the world over. As a result, while accelerating industrialization and modernization, we must consider the consolidation of national defense and security as a regular, significant, and important task.

It is essential to ensure and develop the strengths of all sectors, localities, and economic and social organizations to create a combined strength of the people as a whole under the party leadership and state management; to firmly consolidate the defense zones in provinces, cities, districts, wards, and villages; and to combine the national defense war plan with that of the people's security.

Various echelons, sectors, and localities must actively and urgently strengthen coordination in formulating and perfecting general plans for socioeconomic development in close association with those of national defense and security in each region and throughout the country, thereby helping to protect various economic projects in the common defense plan and ensure each step in industrialization and modernization. This is a further step to enhance the capabilities in national defense and security, in modernizing the armed forces and the material-technical bases to serve combat readiness and national defense.

Efforts must be made to enhance the awareness in national defense and security tasks among party and state cadres and mass organizations. It is essential to comprehensively exercise the state managerial function regarding national defense in accordance with the law while striving to firmly maintain rules and regulations.

The defense industrial system should be built and developed in parallel with the advancement of industrialization and modernization. We must make appropriate investment for various defense enterprises and step by step help them to modernize, increase productivity, improve quality and efficacy while strengthening national defense capabilities and positively contributing to developing the national economy.

It is essential to closely and rationally combine the training and use of the contingent of cadres responsible for scientific-technological research to effectively serve the economy and national defense and security.

We must strive to develop the economy to fulfill the objectives of making a prosperous people and create favorable conditions to enhance the national defense capabilities to build a powerful country. To achieve this we must firmly and skillfully combine the two strategic tasks of building and defending the nation, thereby creating a strong driving force for triumphantly carrying out national industrialization and modernization.

To fulfill this very heavy and glorious task, the People's Army and people's armed forces must integrate efforts in effecting strong changes in the quality of building, standardizing, and step by step modernizing the Army, thus enabling it to firmly protect national independence and freedom and the peaceful working life of the people.

Among these tasks, making the People's Army firm and strong politically is the issue of foremost importance. Our Army possesses working class characteristics, which are generally symbolized in its ideal struggle for national independence and socialism. It will resolutely foil all schemes of the hostile forces, who are making efforts to carry out "non-politicalization" in our armed forces and to subvert the members of our party and Army so as to create a "spontaneous evolution" from within our ranks, thereby creating conditions for carrying out a rebellion and coup.

Our party has promptly abolished the military council system, which was implemented in a short period of time and found to be unsuitable. It has restored the party committee system in the Army. Thanks to all this, our Army has firmly maintained its revolutionary characteristics and tradition, correctly carried out the role of the assault force, and acted as a core force in our people's struggle for victory after victory. Applying the profound experiences in building the party, the Army party organization has always adhered to the principle of a unified, absolute, and hands on leadership of the party over all aspects of the armed forces. It has firmly grasped and seriously implemented the principle of democratic centralism, collective leadership, and implementation of tasks by individuals.

In the new situation, the Army party organization must strive to steadfastly adhere to the principle of organizing and perfecting this superior leadership system, strive to build the Army so that it has the full characteristics of the working class, and make sure that the revolutionary undertaking of our party, people, and Army will firmly advance toward achieving the set goals.

Recently, you, comrades, have attached importance to building the Army politically, taking the building of the Army party organization as a key task. At this All-Army Party Organization Congress, you, comrades, must carefully analyze weaknesses to design urgent measures to overcome them. To renovate and revamp the party, to enhance the quality and militancy of party committees and chapters, to educate party members to be conscious of the party ideal, to firmly maintain the principled characteristics, to uphold virtue and quality, to foster capability, and to enhance knowledge in all fields to be able to deal with the most complicated circumstances — all these are tasks that the Army party organization must carry out consistently.

The people's Army, the people's armed forces, and the people's security force must forever maintain the people's confidence, firmly build the fatherland's invincible strength, ensure the consolidation of national defense and security, create conditions for our people to triumphantly move toward national industrialization and modernization and successfully build socialism.

It is necessary to firmly maintain the standards of party members and delegates to the party congress as clearly defined by the party Central Committee's 10th plenum, that is, they must qualify both in terms of virtue and capability (with virtue as the base). Special attention must be paid to their political quality, ethics, lifestyle, sense of organization and discipline, and spirit of unity and unification. Anyone who is a political opportunist, who is lacking in political acumen or courage, or who is involved in corruption and so forth will never be chosen as a member of party committees and the Party Central Committee. I am confident that this All-Army Party Organization Congress will elect a competent delegation of the Army party organization to appropriately contribute to the success of the Eighth National Party Congress. I wish you, comrades, success in developing your intellectual acumen and in broadening democracy, in upholding criticism and self-criticism, in contributing concrete ideas to supplement and perfect the draft political report of the Party Central Committee to be presented to the Eighth National Party Congress and the political report of the Party Central Committee's Military Commission.

I wish you, comrades, splendid success at this congress.

SRV: Do Muoi Addresses Hanoi Party Congress

BK1605032596 Hanoi HANOI MOI in Vietnamese 8 May 96 pp 1, 3

["Text" of speech delivered by Do Muoi, general secretary of the Communist Party of Vietnam, at the opening of the 12th Hanoi party organization congress in Hanoi on 7 May]

[FBIS Translated Text] Comrade advisers to the party Central Committee, the congress presidium, and comrade delegates: On the occasion of the 12th Hanoi party organization congress, I would like to extend the warmest greetings of the party Central Committee to all the comrade delegates — party cadres, members of the Hanoi party organization, and compatriots from the capital.

This Hanoi party organization congress is very significant for the operations of the party organization itself and for the lives of the people in the capital. The congress comes as a positive contribution to the success of the eighth national party congress. The Political Bureau and the government have met with the municipal party Standing Committee, party Cadre Affairs Committee, and People's Committee to provide suggestions and guidance on the direction along which the municipality will develop in the period ahead. I have surveyed the situation in a number of districts, wards, and villages in Hanoi to ensure that my views on the situation in the capital are more practical. Today, I am not going to recap these suggestions. Rather, I will raise certain issues that need attention.

Comrades, I concur with what was discussed in the political report presented by the municipal party organization at the congress. A prominent achievement recorded by the municipality was that it tried hard and successfully exceeded the target of its 1991-95 five-year plan. Its economic growth rate was relatively high, its people's livelihood was improved, and its political situation stable. Progress was also noted in the implementation of its cultural and social tasks. Its security and national defense situation were consolidated and its political system strengthened. The socioeconomic achievements of the municipality and the initial results it obtained from the reestablishment of order and discipline in its urban management have created favorable conditions for it to embark on a new era of development — the era of stepped-up industrialization and modernization.

On behalf of the party Central Committee, I warmly praise the party organization, administration, military personnel, and people of the capital for these great achievements.

Generally speaking, Hanoi is still poor. Its socioeconomic infrastructure, though better than before, is still not up to date. Many issues in the planning, zoning, and administration of the capital still need to be tackled positively and urgently, such as the issue of land and construction management and the issue of trade and social welfare administration. Apart from striving to develop the production force, it is necessary to pay attention to building and perfecting production relations along the socialist direction. It is reported that social vices continue to develop in a complex and grave fashion and that the living environment is worsening. All these issues must be resolved by the Hanoi party organization with great attention.

As the country's largest nerve center for political, economic, cultural, scientific, and technological activities and for international transactions, Hanoi must remain the symbol of the country. The whole country must work toward building the capital and vice versa.

With this overall vision, the revolutionary tasks of the capital in the new era — the era of stepped-up national industrialization and modernization — will be highly glorious yet very heavy. In planning for its development, Hanoi should not confine itself to the next five-year plan. It should prepare itself for the next 15-20 years if it is to build itself into a socialist capital that is rich economically, stable politically, strong in terms of security and national defense, fine culturally, and high in terms of intelligence; where the people enjoy an increasingly civilized and modern life while still being able to maintain and develop their national identity and preserve the beautiful image of Thang Long [former name of Hanoi], the cultural capital of the country.

In this regard, it is necessary to continue to supplement and perfect the municipality's revised general plan to suit the new situation. We must build Hanoi in accordance with a plan to expand beyond its perimeters through efforts to set up new industrial zones and modern satellite cities; to create more space for development while preserving the inherent beauty and natural landscape of the country's oldest city.

As an industrial center now under modernization, Hanoi has the duty and the capability to provide production materials and commodities to meet the production and consumption requirements of the region and country as a whole in order to contribute to refurbishing the national economy and meeting export requirements. It is necessary to develop those industries involved in the processing of foodgrains, foodstuffs, commodities, and export goods. Specific attention must be paid to developing high-tech industries and pollution-free industries, with machinery, electricity, and electronics playing a core role.

Existing machine production enterprises must be rearranged and investment in these enterprises should be increased. At the same time, more enterprises with modern technology should be built. Old enterprises in former industrial zones must be rearranged and renovated. New industrial zones and hi-tech industrial centers should be built quickly in outer suburbs. The transport system must be planned, rearranged, and improved to meet the development requirements of the national capital. The socioeconomic infrastructure should be built satisfactorily.

Agriculture must be industrialized and modernized with the extensive application of scientific and technological advances, especially biological technology. The cultivation of plant seedlings should be accelerated to increase the supply of foodstuffs, vegetables, flowers, and plants with good quality to meet increasing demand from locals and foreigners.

Commerce, services, and tourism should also develop quickly in a civilized and modern direction.

Together with the uniform implementation of the multisectoral economy to produce more goods with improving production rates, quality, and efficiency, the state economic sector must strive to surge forward, improve its management structure and business performance, increase efficiency, and continuously grow to maintain its leading role in production, technology, and markets, especially in key sectors and important products.

Economic cooperation must be developed in various forms, scopes, and levels. The shareholding system should be introduced gradually. Individuals should be encouraged to invest in production, conduct legal business, and fulfill their obligations to the state. The private economy is encouraged to set up joint ventures with state enterprises.

Performing the aforementioned tasks will strongly develop the production force, liberate all labor potential, encourage people to practice thrift, attract capital resources for development investment, and build and consolidate production relations practically in the socialist direction.

As a national center, Hanoi has a duty to help provinces and cities, beginning with localities in northern Vietnam, revamp their economic structure and industrialize their rural areas and agriculture by providing machinery, equipment, knowledge on technology transfer, specialists, training of specialists, and measures to organize production and market their products.

Under the party leadership and state management, all activities of the three economic areas in the north, central, and south — with Hanoi, Ho Chi Minh City, and Quang Nam-Da Nang as three main centers — must cooperate closely and be linked together. The three main centers must also have links with other provinces for the acceleration of national industrialization and modernization under general planning, strategies and plans, and programs for the short, medium, and long-term development of the entire country. They must carry out the leading role satisfactorily in helping other localities develop so they will not be isolated islands.

All provinces and cities, especially those in northern Vietnam, must share responsibility for contributing stable manpower, capital, foodstuffs, and raw materials to various industries in Hanoi. They must help build and develop our capital. At the same time, with assistance from Hanoi, they must accelerate the industrialization of their rural areas and agriculture.

The cooperation between Hanoi and other regions and provinces must be based on equality and mutual benefit and reflect the close alliance between industry and agriculture, workers and peasants, and cities and rural areas.

Our party has affirmed that education, training, science, and technology are the top national policies. This confirmation has important and urgent significance for Hanoi. The Hanoi party committee must do its best in the education undertaking and increase the knowledge of Hanoians, especially young people, to ensure that all children can go to school, from kindergarten through primary and high school and vocational training, to create a human resource for the development of an industrial, civilized, and modern society. Together with the attention paid to tertiary and postgraduate education, we must discover talented people and provide them with training to create an abundant resource of cadres in technological science, social science, human studies, literature, and arts... for Hanoi and the entire country.

Hanoi has a high concentration of scientists working in various fields at the national and local level. This is a great advantage that needs to be developed and exploited. Together with continued training and fostering, it is necessary to introduce policies and plans to encourage and attract people to participate actively in the industrialization and modernization undertaking, thus contributing to production development; the improvement of the people's material and spiritual life; and the building of a prosperous, civilized, and modern capital.

Among the social issues that need to be settled, a prominent one is the generation of more jobs for Hanoians. At present, 5-6 percent of Hanoi's working people are looking for jobs, including unemployed people from the provinces. In the coming years, Hanoi needs branches, industries, production enterprises, and small and medium-sized businesses to create more jobs. We must increase funding to create more work and set up more centers for vocational training and employment services. The motivation to eliminate starvation and reduce poverty must be accelerated to eradicate poverty among families in the coming years. The legal amassing of wealth must be encouraged.

In Hanoi, housing is a pressing issue. The government must provide housing for the people by planning to build new residential areas. It must also encourage people to build their houses in conformity with city planning on architecture and end arbitrary construction that destroys the city scenery and pollutes the environment.

We must take care to improve public health; satisfactorily organize the health care system, including the prevention and treatment of diseases; and combine modern and traditional medicine. Physical education and sports must be accelerated. The activities of physical education clubs should be broadened. Professional sports should be developed.

We must pay attention to the protection and improvement of the environment. The policy on social justice must be carried out correctly. The policy of repaying the good deeds of people who have rendered meritorious service to the nation must be satisfactorily implemented. Charity and benevolent activities should be encouraged.

Hanoi must take the lead in building a new cultural system and lifestyle. It must fight social evils and abolish poisonous and harmful elements in the people's cultural and spiritual lives. Together with economic development, we must pay attention to the building of new people, ideas, and culture in every residential area, work unit, school, and family. We must strive so that every advance in material civilization goes together with spiritual civilization to increase the beauty of the soul and build a lifestyle of culture.

We should remain vigilant at all times; safeguard national defense, security, social order, and safety; ensure a peaceful life for people in the capital; and foil all sabotage schemes and actions that attempt to undermine the national construction undertaking and revolutionary accomplishment of our people.

Hanoi is the meeting point for a large population that includes people of various classes, strata, circles, and sectors. We should therefore pay proper attention to the development of the fatherland front and mass organizations, expand the great national unity bloc, consolidate mass mobilization work, and encourage people to participate in movements and campaigns in the interest of our country and our capital city in order to make Hanoi a city of civilization, beauty, and cleanliness and make life here happy and healthy, to be worthy as the focal point of the country.

As the capital city and international exchange center of the country, the base for diplomatic missions and international organizations, the place to visit for many foreign guests, and the place for foreign businessmen to come and conduct business, Hanoi should conduct its external relations and external economic duties well, show friendliness and courteous hospitality, and create fine impressions about Vietnam's culture and the graceful lifestyle of Hanoians.

In order to fulfill its leadership role, your party organization should see the party building task as central. In the past you have exerted significant efforts in renovation and the party rectification work, especially at the grass-roots level. The results you have achieved are only preliminary, however. For the period to come these tasks should receive more concentrated energy. Party organization in units and localities should be made into a political nucleus to lead effectively in all aspects. Each party member should be a pioneer combatant in all tasks and activities. In parallel with the task of recruiting new party members, the resolute attitude to eliminate degraded, corrupt, and negative elements from the party should be maintained. You should pay the utmost attention to cadre work, to the training and further training of the contingent of cadres so that they will become resolute in their political acumen; have pure qualities; and be persistent in practicing the four qualities of diligence, frugality, cleanliness, and fairness. Cadres as well as their families should be models of moral quality in the effort to improve themselves in terms of knowledge, expertise, and organization ability. Hanoi should provide competent cadres for itself and to serve as a source for supplemental cadres for the central level.

The effectiveness and objective of party building work shows in practical tasks that create changes for the better in all aspects — from economic, social, security, and national defense aspects to the consolidation of the political system and improvement of the people's livelihood. They also show in the effective fulfillment of core political duties assigned in each particular period without committing waste and ritualism.

Dear Comrades, Hanoi's 12th party congress and the upcoming eighth national party congress will help the party organization of Hanoians — civilian and military alike — to heighten unity and consolidate strength for the realization of a prosperous people, a strong country, and an equitable and advanced society and, together with the party and the people as a whole, to advance to socialism.

I wish the party organization and people of Hanoi more success in the industrialization and modernization of the capital city and to prepare well for the commemoration of the 1,000th anniversary of the historic city of Thang Long.

Comrades, I wish you and your party congress every success.

SRV: Do Muoi Addresses National Political Institute Meeting

BK1705090096 Hanoi VNA in English
0641 GMT 17 May 96

[FBIS Transcribed Text] Hanoi VNA May 17 — Communist Party General Secretary Do Muoi has stressed the importance of raising both the qualifications and capacities of personnel training with priority given to political skills and revolutionary ethics, saying: "All leading party officials must be armed with Marxism-Leninism and Ho Chi Minh's thoughts to stand firm in the fight to defend the communist party's viewpoints and policies, in the struggle between the socialist and capitalist paths and in the choice of our party and nation for the socialist path."

Do Muoi attended and addressed a meeting held by the Ho Chi Minh National Political Institute to receive the Gold Star Order, the highest distinction of Vietnam, conferred by the Vietnamese state in acknowledgement of its significant contribution to the country. He further said:

"Every official must be fully aware of Marxism-Leninism and Ho Chi Minh's thoughts and, at the same time, must have revolutionary virtues. Those who talk in one way and act in another way, who talk much in high 'revolutionary' spirit but care only for their own position, reputation and benefits can never be entrusted with crucial tasks."

After highlighting the achievements made by the institute in personnel training for the party for almost 50 years, Mr Do Muoi said: "Tens of thousands of middle and higher-level officials from the party, government, army and mass organizations have been trained at the institute where they have been provided with a pool of systematic knowledge about Marxism-Leninism and Ho Chi Minh's thoughts, the party's line and policies as well as other subjects needed for a leader or manager in various sectors."

"As the most important theoretical research centre of the party, the institute has also achieved significant success in studying revolutionary theory and legacies left behind by Marx, Engels, Lenin and Ho Chi Minh and has taken an active part in the summing-up of the revolutionary reality in Vietnam, especially the socialist construction, over the past years and has made contributions to the policy making of the party,' Do Muoi said, adding 'the institute has been actively involved in the ideological and theoretical struggle to protect Marxism-Leninism, Ho Chi Minh's thoughts and the party's standpoints and policies."

He also said, "parallel with personnel training, the institute should organize the study of theory and practical applications. These are the two pivotal tasks which will complement each other. In the new revolutionary stage, the party will give more attention to theoretical research."

SRV: Hanoi Party Committee Issues Congress Resolution

BK1605125396 Hanoi HANOI MOI in Vietnamese 10 May 96 p 1

[Resolution issued by 12th Hanoi party congress — place and date not given]

[FBIS Translated Text] The 12th Hanoi party congress held on 7-9 May 1996 unanimously decided:

1. To approve the political report of the executive committee of the 11th Hanoi party committee. To assign the executive committee of the 12th Hanoi party committee — acting in line with the results of the voting on some issues in the political report, the conclusive report of the congress presidium on issues that were discussed at the congress, and the speech delivered by Comrade General Secretary Do Muoi — to perfect the political report before publicly announcing it.

2. To approve the report compiling opinions contributing to the documents of the eighth national party congress [ENPC] of the party Central Committee by party organizations under the Hanoi party committee. To assign the executive committee of the 12th Hanoi party committee to compile all the statements made on the ENPC documents by the delegates of the Hanoi congress before reporting to the Party Central Committee.

3. To assign the executive committee of the 12th Hanoi party committee, acting on the resolution of the eighth national party congress and the resolution of the 12th Hanoi party congress, to urgently establish practical programs and plans and organize the execution of the Hanoi party congress resolution.

4. To elect the executive committee of the 12th Hanoi party committee with 51 comrades and elect 39 delegates to attend the eighth national party congress.

5. To express sincere appreciation to the Fatherland Front, mass and social organizations at the central and Hanoi levels, and Hanoi people of all walks of life for contributing important opinions to the draft political report and for the emulative movements welcoming the party congress.

The congress calls on the Hanoi party committee and people, under the leadership of the executive committee of the Hanoi party committee, to actively work for the successful execution of the resolution of the 12th Hanoi party congress and to build a Hanoi capital with a prosperous economy, stable politics, strong national defense and security, a fine culture, and intellectual strength.

SRV: Daily Issues List of Hanoi Executive Party Members

BK1605151896 Hanoi HANOI MOI in Vietnamese 10 May 96 p 1

[List of executive committee members of the Hanoi party committee for the official term of 1996-2000 in alphabetical order of given names]

[FBIS Translated Text] 1. Do Hoang An, vice chairman of Hanoi People's Committee.

2. Nguyen Thanh Binh, chairman of Hanoi State Planning Committee.
3. Cao Minh Chau, director of Hanoi Department of Labor, War Invalids, and Social Welfare.
4. Pham Chuyen, director of Hanoi Public Security Force.
5. Luong Ngoc Cu, vice chairman of Hanoi People's Committee.

6. Nguyen Manh Cuong, party secretary of Tay Ho precinct party committee.
7. Nguyen Huy Dien, party secretary of Dong Anh precinct party committee.
8. Luong Van Dich, party secretary of Thanh Tri precinct party committee.
9. Nguyen Ngoc Dinh, chief of Organization Department of Hanoi party committee.
10. Nguyen Tien Doan, headmaster of Le Hong Phong cadre training school.
11. Le Quy Don, party secretary of Gia Lam precinct party committee.
12. Tran Quang Giao, president of Hanoi Federation of Labor.
13. Dinh Hanh, vice chairman of Hanoi People's Committee.
14. Le Anh Hao, party secretary of Dong Da precinct party committee.
15. Nguyen Kim Hoan, director of Education and Training Department.
16. Tran Viet Hung, deputy general manager of Industrial Machine and Equipment Corporation and manager of Hanoi Mechanic Company.
17. Nguyen Van Ket, party secretary of Soc Son precinct party committee.
18. Vu Manh Kha, president of Hanoi Fatherland Front.
19. Nguyen Manh Kiem, Chairman of Control Committee of Hanoi party committee.
20. Nguyen Duc Khien, director of Department of Science, Technology, and Environment.
21. Pham Van Khue, director of Hanoi Department of Industry.
22. Nguyen Lan, Hanoi Chief architect.
23. Nguyen Quang Lan, deputy director of Department of Tourism.
24. Duong Dinh Linh, director of Department of Commerce.
25. Pham Loi, chairman of Hanoi People's Council.
26. Vu Huy Luat, Hanoi Chief inspector.
27. Luong Van Nghia, chief of Political Protection Committee of Hanoi party committee.
28. Hoang Van Nghien, chairman of Hanoi People's Committee.
29. Bui Thanh Phan, party secretary of Ba Dinh precinct party committee.
30. Phung Huu Phu, party secretary of Hanoi National University party committee and chancellor of National University for Social Science and Human Studies.
31. Nguyen The Quang, deputy general manager of Vietnam Weaving and Sewing Corporation and manager of No. 10 Garment Company.
32. Nguyen Viet Quang, deputy manager of Hanoi Electricity Company.
33. Nguyen Hong Quan, deputy chief of Proselytizing Department of Hanoi party committee.
34. Ngo Thi Doan Thanh, secretary of Ho Chi Minh Communist Youth Union in Hanoi.
35. Nguyen Thi Kim Thanh, president of Hanoi Women Association.
36. Nguyen Tien Thang, party secretary of Hoan Kiem precinct party committee.
37. To Thoai, manager of Mechanic and Vehicle Major Repair plant.
38. Tran Van Thong, party secretary of Tu Liem precinct party committee.
39. Tran Dinh Thu, commissioner of Hanoi Taxation Office.
40. Tran Thi Bich Thuy, deputy chief of the Organization Department of Hanoi party committee.
41. Luu Minh Tri, chief of Propaganda and Education Department of Hanoi party committee.
42. Nguyen Quoc Trieu, director of Health Department.
43. Pham Quoc Truong, director of Transportation and Civil Engineering Department.
44. Tran Van Tuan, party secretary of Hai Ba Trung precinct party committee.
45. Le Xuan Tung, standing vice secretary of Hanoi party committee.
46. Ngo Viet Van, party secretary and manager of No. 40 Garment Company.
47. Chu Vien, president of Hanoi Peasant Association.
48. Bang Viet, president of Hanoi Federated Association of Literature and Arts.
49. Phan Van Vuong, general manager of Federation for Production, Service, and Import-Export of Small Industrial and Handicraft Products.
50. Pham Hong Vuong, chief of Hanoi People's Organ of Control.
51. Bui Thi Xo, vice chairman of Hanoi Inspection Committee.

SRV: Do Muoi Says Aim of Trade Sector To Build Socialism

BK1605073096 Hanoi VNA in English
0643 GMT 16 May 96

[FBIS Transcribed Text] Hanoi VNA May 16 — The main target of the trade service sector is to contribute to the successful building of socialism through its business efficiency and sense of responsibility in serving the people, party General Secretary Do Muoi reminded a national conference on the market and trade which was opened here yesterday by the Trade Ministry.

General Secretary Do Muoi emphasized the sector's role and responsibility for not only making profit but also serving the interests of the people and contributing to the development of an independent national economy.

He demanded that the state-owned trade service play the role of guiding the market, at the same time encourage other economic sectors to take part in business operations.

Trade Minister Le Van Triet reported on the sector's action programme for the 1996-2000 period and the party Political Bureau's resolution on continued renewal of trading organisations and operations and market development along the socialist orientation.

The conference is attended by the heads and deputy heads of economic departments under provincial and municipal party committees, vice chairmen of people's committees, and directors of trade and market management departments of 53 provinces and cities throughout the country, as well as representatives of 16 state-owned corporations and related ministries.

SRV: Government Encourages Use of Checks in Transactions

BK1705115496 Hanoi Voice of Vietnam in English 1000 GMT 17 May 96

[FBIS Transcribed Text] Vietnamese Prime Minister Vo Van Kiet is to intensify measures to move the economy away from a dependent-on-cash transaction. In an effort to attack the problem of the huge flow of cash, Mr. Kiet has endorsed a new regulation to encourage the use of checks. The move toward non-cash transactions will also help in the move toward the de-dolarization from the market economy.

SRV: Minister Addresses National Conference on Nuclear Power

BK1505085796 Hanoi VNA in English 0626 GMT 15 May 96

[FBIS Transcribed Text] Hanoi VNA May 15 — The first national conference on nuclear physics and technology is being held here on May 14 and 15 to evaluate achievements in the research and application of atomic power for peaceful purposes and to review the implementation of the state-level project on nuclear technology over the past five years.

The conference is organized by the Physics Association and the Vietnam Institute of Atomic Power on the occasion of the 20th founding anniversary of the Vietnam atomic power industry.

Prof. Dang Huu, minister of science, technology, and environment attended and addressed the conference which drew the participation of more than 200 scientists from institutions for the research and application of nuclear energy to health care, geology, and hydrography.

The conference heard 79 scientific reports on nuclear physics, reactor physics, theoritical physics, application of nuclear technology in industries and agriculture, nuclear electronics, environmental control, radiation security and radio-active medicine, and radiation.

The reports stated the progress of the contingent of Vietnamese scientists studying the nucleus, and the achievements of applying nuclear technologies into production, thus confirming the necessity of nuclear energy in the future.

On this occasion the ministry of science, technology and environment confered the medal 'for the cause of science and technology' on 40 scientists in recognition of their contributions to the development of the Vietnam Institute of Atomic Power.

Australia

Australia: Western Samoan Prime Minister Reelected

LD1705090896 Melbourne Radio Australia in English 0800 GMT 17 May 96

[FBIS Transcribed Text] Western Samoa's prime minister, Tofilau Eti Alesana, has won another five-year term in office. He defeated opposition leader, Tapua Tamesese Efi, 34 votes to 14 in a Legislative Assembly vote following general elections last month. Mr. Tofilau won on the 24 votes of the ruling Human Rights Protection Party and 10 independents.

The results would appear to give Mr. Tofilau the two-thirds majority that he wanted in the 49-seat assembly. However, several independents have said their support for the government is not absolute and may change. Mr. Tofilau is now the longest serving prime minister in the South Pacific. The party's candidate for speaker, Taleafoa Faisi, was also elected.

Australia: Downer Welcomes Positive Comments by Nguyen Manh Cam

BK1605063696 Melbourne Radio Australia in English 0500 GMT 16 May 96

[FBIS Transcribed Text] Australia's foreign minister, Alexander Downer, has issued a statement welcoming positive comments by his Vietnamese counterpart, Nguyen Manh Cam. Mr. Downer said Mr. Cam's expression of support for Australia's involvement in the region was extremely welcomed. Australia's foreign minister said he was delighted that the Vietnamese Government had given such a positive response to the new Australian Government which took office in March. Mr. Downer said he and Mr. Cam had exchanged and accepted invitations to visit each other and dates for the trips would be determined.

In an interview with the official Vietnam News Agency, Mr. Cam said he hoped Australia would continue with the building of the My Thuan bridge across the Mekong river. Mr. Downer had said that he is looking at the option for canceling the bridge project which has a budget of $45 million. Australia's foreign minister said he was actively considering the future of the My Thuan bridge project and continuing discussions with Vietnam.

Australia: Funding Cuts for Aid Projects 'Condemned'

BK1605040996 (Internet) Australian Broadcasting Corporation Online WWW in English 1058 GMT 15 May 96

[FBIS Transcribed Text] The abolition of a scheme which helps fund overseas aid projects has been condemned by Australian aid groups.

The Federal Government has confirmed that the Development Import Finance Facility will be axed, killing off 50 aid projects worth over a billion dollars.

Projects in China, Indonesia, Vietnam and the Philippines will be lost as a result.

The Executive Director of the Australian Council for Overseas Aid, Janet Hunt, says the cuts represent a broken election promise.

Ms. Hunt says the Coalition promised that poor people would be protected from budget cuts, but the axing of these projects will hit some of the poorest people in the world.

Australia: Secret Government Plan To Cut Refugee Intake Viewed

BK1605063596 Sydney THE SYDNEY MORNING HERALD in English 16 May 96

[Article by political correspondent Michael Millett: "Secret Plan for Refugee Cuts" — received via internet]

[FBIS Transcribed Text] A leaked cabinet document reveals the federal government is planning to breach its election pledge to maintain the number of refugees it accepts each year, but is devising a strategy to camouflage the cost-cutting measure.

The document, marked Cabinet-in-confidence, shows the minister for immigration, Mr. Ruddock, is proposing to slash by one-third the number of refugees and other entrants on humanitarian grounds the government will accept in 1996-97 and following years.

The cut, from 15,000 to 10,000, is estimated to save $64 million [Australian dollars] over four years, mainly in reduced welfare payments.

While the major cut is to other parts of the humanitarian program, the spaces allotted to refugees will fall by more than 1,300.

During the election campaign, the coalition pledged "not to reduce the refugee component and to emphasise the role of assisting refugees".

In a frank assessment of the political impact of the cuts, Mr Ruddock said the move would cause an inevitable backlash from ethnic groups, welfare providers and religious organisations.

He said the government would also "have difficulty sustaining the argument" that it was meeting its election pledge.

In an attempt to deal with the backlash, Mr. Ruddock proposes in the document a number of "presentational" measures, including trying to argue that numbers were not being dropped over a two-year period and boosting the numbers by including people granted asylum in Australia, rather than offshore.

The leaking of the document will embarrass the government, given the prime minister's strong emphasis on keeping its election pledges.

The opposition's immigration spokesman, Mr. Kerr, said the document showed the government was doubly culpable-in reneging on an election commitment and trying to dupe the public. "This is symbolic of the political treachery of this government," he said.

In the submission, Mr. Ruddock said: "The government may expect vocal criticism from community groups on the basis that the proposed program signals a reduction in the government's commitment towards humanitarian resettlement and that some deserving resettlement applicants will be denied a program place."

The Ruddock document, distributed to other ministers for comment, canvasses two options for neutralising the political backlash.

The first is to restore the number of refugee places to 4,000 in 1996-96, while reducing other parts of the humanitarian program.

The second and more controversial is to reduce the number of refugee places to 3,335-1,330 below the current allocation — and to claim the government is maintaining its election pledge.

Mr. Ruddock said he preferred the first option. "However, in view of the difficult budget situation we are in, I am reluctantly proposing that option two be adopted."

"In proposing this option, I am conscious that we will have difficulty sustaining the argument that we have kept our commitment not to reduce the refugee component, notwithstanding the fact that, taken over the two-year period, it has remained constant."

Mr. Ruddock said the government could also exploit the decision of the previous administration to not include in the humanitarian program people who had successfully applied in Australia for asylum.

"Presentationally, we would gain benefits by adding to the humanitarian program the estimated number of grants of protection visas in 1996-97.

"That is, we could announce that our commitment to refugees and humanitarian resettlement has been set at 12,000 places in 1996-97, consisting of 10,000 places offshore and 2,000 places onshore."

Australia: Budgetary Constraints Affecting ASIS Operations

BK1605073496 Sydney THE SYDNEY MORNING HERALD in English 16 May 96

[Article by foreign affairs correspondent David Lague "Cash-Strapped ASIS Cuts Back on Spying" — received via internet]

[FBIS Transcribed Text] Australia's overseas espionage agency, the Australian Secret Intelligence Service (ASIS), is more than $4 million [Australian dollars] in the red and cannot pay its spies from its 1995-96 budget.

The crisis has forced ASIS management to curtail routine espionage in a bid to stem overspending before the Howard government's first budget in August.

Internal upheavals and staff movements arising from last year's controversial Samuels inquiry are compounding the financial pressure because some senior spies are now seeking big redundancy payouts, according to ASIS sources.

ASIS, which is understood to have a staff of about 200, enjoyed its golden years under Labor, with its budget soaring from about $10 million under the first Hawke government in 1983 to about $32 million for 1995-96.

But public revelations in 1994 from a group of disaffected former agents convulsed the service and forced the Keating government to appoint the retired NSW [New South Wales] Supreme Court Judge Mr. Gordon Samuels, who is now NSW Governor, to investigate the management of Australia's spies.

A spokesman for the minister for foreign affairs, Mr. Downer, this week refused to comment on the ASIS budget or explain the overspending but intelligence experts have confirmed that 1996-97 may be a tough year for the service.

It also faces further attack from a former agent now living in Sydney who is planning to sue for defamation if the government fails to pay him the $450,000 he has demanded in compensation for mistreatment during and after his service.

The director-general of ASIS, Mr. Rex Stevenson, and the former Inspector General of Intelligence and Security, Mr. Roger Holdich, used a bogus psychiatric report which described the former agent as a "psychopath" to discredit him when they briefed coalition MP's in late 1993.

The coalition, then in opposition, was asking questions about ASIS's treatment of the agent and a group of his disaffected colleagues.

The former agents went public in February 1994 with their complaints of mistreatment and mismanagement.

In its sanitised public report released last year, the Samuels inquiry described the use of the bogus psychological report as "highly inappropriate".

On page 602 of the top secret, Australian Eyes Only version of the report, the text of a letter from Mr. Stevenson to Mr. Holdich reveals that ASIS was fearful of the legal consequences if it disclosed the psychological report that had been prepared without the agent's knowledge.

"AG's [Attorney-General's] advice is that we may render the Commonwealth vulnerable to legal liability through disclosure of this report," Mr. Stevenson wrote.

"In particular, the disclosure of such information could constitute publication under the laws of defamation."

In his letter, Mr. Stevenson also pointed out that the ASIS psychologist was not professionally qualified to make a psychiatric report on the former agent.

The former agent believes he was seriously defamed when the report was "disclosed" in the briefing of a coalition backbencher, Senator Sue Knowles, the then opposition leader, Mr. Hewson, and the then opposition foreign affairs spokesman, Mr. Andrew Peacock.

The Samuels inquiry recommended major reforms of ASIS's personnel management but there is considerable dissatisfaction in the service over the treatment of staff.

ASIS sources say there has been an exodus of disgruntled staff since the report was released in April last year.

The service has been forced to recruit senior staff from the Department of Foreign Affairs and Trade and recall former officers to duty.

The Federal Government is proceeding with the Samuels inquiry recommendations to introduce legislation to govern ASIS.

Australia: Government To Curtail IR Commission's Powers

BK1605044896 Sydney THE AUSTRALIAN FINANCIAL REVIEW in English 16 May 96

[Article by Stephan Long: "Howard's Radical IR Plan" — received via internet]

[FBIS Transcribed Text] The federal government plans to end the century-long primacy of the federal award system in a radical overhaul of industrial relations [IR].

Its new legislation will allow state employment agreements to override federal awards, giving employers scope to "opt out" and offer workers contracts under state laws with lower minimum protections than those proposed by the Howard government.

The change is a key element of the Workplace Relations Bill to be introduced in Parliament next week, details of which have been leaked to THE AUSTRALIAN FINANCIAL REVIEW [AFR].

Laws on union coverage would also be radically revamped by the new legislation.

Under the government's plan:

The Australian Industrial Relations Commission [AIRC] will only have power to make orders on union coverage if a company faces actual or intended industrial action because of a demarcation dispute between unions.

This will restrict employers' use of section 118A of the Industrial Relations Act to rationalise union coverage.

Workers will gain a new right to strike and employers will be able to lock out workers during the negotiation of any Australian Workplace Agreement — the proposed non-union agreements stream.

The right to strike by unions negotiating certified agreements will be restricted.

Unfair dismissals compensation will be capped at six months' salary to a maximum of $30,000 — indexed annually to CPI [Consumer Price Index] — and generally restricted to employees on federal awards and agreements.

The AIRC's arbitration powers will be severely curtailed, leaving the commission with no power to arbitrate on issues that fall outside 22 core award conditions.

The government intends to give state agreements power to override federal awards by rewriting Section 152 of the Industrial Relations Act.

This section establishes the primacy of federal awards, a dominance which has existed for close to a century.

The new law would give companies scope to shift from federal awards to workplace agreements or individual employment contracts in state systems — such as Western Australia's Workplace Agreements Act — if they gained agreement from employees.

Companies would also be safeguarded against unions' attempts to supplant state agreements with federal award coverage — a tactic used to undermine the WA [West Australia] and Victorian industrial relations reforms.

The new law would also give employers in the conservative States an alternative route to individual employment contracts.

This may be attractive if the Democrats force the government to amend its proposals and give the AIRC power to vet non-union agreements.

A final draft of the Workplace Relations Act also contains a radical proposal to overhaul the laws on rationalising union coverage.

Under the plan, the AIRC's power to award unions coverage of a company or an industry would be restricted to situations where a dispute over coverage had led to actual or threatened industrial action.

This restriction was described as "insane" by a senior industrial lawyer who contacted the AFR.

"If we have a client who wants to rationalise union coverage, we will have to get a union to cause industrial dislocation under this proposal," he said.

The AIRC's jurisdiction would be severely curtailed under the proposed new law, the draft legislation confirms.

Under the government's scheme, the commission would lose its power to arbitrate on issues that fall outside 22 core award conditions.

Compensation for unfair dismissals would be capped at six months' salary, to a maximum of $30,000 indexed annually to the CPI.

New Zealand

New Zealand: Farm Minister Affirms Cattle Free of BSE Disease

BK1705033396 (Internet) New Zealand Parliamentary WWW in English 14 May 96

[Press release issued by Lockwood Smith, New Zealand minister of agriculture, on 14 May; place not given]

[FBIS Transcribed Text] New Zealand cattle are free of Bovine Spongiform Encephalopathy (BSE) and the Government will ensure they remain free, Agriculture Minister Lockwood Smith said today.

"There has never been a case of BSE in New Zealand. We do not import any British beef. Imports of British cattle were banned in 1988. Imports of UK bovine genetic material have been suspended. And products derived from UK beef have been banned and taken off shelves."

Dr Smith was releasing the report of the panel of scientists established to advise the Government on the latest scientific information on BSE. The panel chose to base its report on the assumption that there may be a link between BSE and Creutzfeldt-Jakob Disease (CJD), although it also makes clear that this cannot be confirmed and that the evidence is largely circumstantial and falls well short of proof.

"The Government and the panel both accept that there is no proof of any link between BSE and CJD. We both accept that New Zealand beef is safe," Dr Smith said. "Nevertheless, we both believe there is a need to be prudent."

The panel has recommended that the Government continue with existing suspensions on bovine genetic material, even though it says it has not found any evidence that BSE can be transmitted through such material. This recommendation has been accepted, pending ongoing review of information.

Also accepted is a recommendation that the importation of bovine genetic material be allowed under the existing stringent quarantine procedures.

The panel also believes that the Government should ban the inclusion of ruminant tissues in ruminant feed. As the Government currently has no legal mechanism to enforce such a ban, officials have been instructed to report by 30 June with a detailed proposal, including proposed administration and enforcement measures, to give effect to a ban.

Meanwhile, Dr Smith encouraged the stock feed manufacturing industry to introduce a voluntary ban immediately and label feed stuffs accordingly.

"I know that there is support within the New Zealand Stock Feed Manufacturers Association for such a policy as a prudent step. I encourage it to implement one as soon as possible."

Other recommendations are that MAF [expansion unknown] review all current measures for BSE prevention and surveillance and that MAF review New Zealand rendering processes. Dr Smith said MAF was already reviewing both areas.

Papua New Guinea

Papua New Guinea: Diplomatic Ties With Panama Established

BK1705090396 Melbourne Radio Australia in English 0500 GMT 17 May 96

[FBIS Transcribed Text] Papua New Guinea [PNG] has established diplomatic relations with Panama in Central America. The prime minister, Sir Julius Chan, said the two developing countries shared similar interests and values and could strengthen cooperation in economic, commercial, and cultural areas.

Sir Julius said the formalization of diplomatic relations with Panama was consistent with PNG's aim to expand relations with as many countries as possible.

Western Samoa

Western Samoa: Prime Minister Wins Another 5-Year Term

BK1705090896 Melbourne Radio Australia in English 0500 GMT 17 May 96

[FBIS Transcribed Text] Western Samoa's prime minister, Tofilau Eti Alesana, has won another five-year term in office. He defeated Opposition Leader Tupua Tamasese Efi 34 votes to 14 in a Legislative Assembly vote following general election last month. Mr. Tofilau won on the 24 votes of the ruling Human Rights Protection Party and 10 independents. The result would appear to give Mr. Tofilau the two-thirds majority he wanted in the 49-seat assembly.

However, several independents have said their support for the government is not absolute and no change. Mr. Tofilau is now the longest serving prime minister in the South Pacific. The party's candidate for speaker, Toleafoa Faafisi, was also elected.

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